

Witness Seminar: Whitehall and Europe, 1979-2010

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Edited by Dr Catherine Haddon

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List of participants

Sir Andrew Cahn (Chair)

Joined MAFF in 1973. UK permanent representation to the European Economic Community (EEC) (1977–78); First Secretary (1982–84); member of Lord Cockfield's cabinet in the European Commission (1984–88); Deputy Head of the Cabinet Office European Secretariat (1995–97); *chef de cabinet* to Neil Kinnock at the Commission (1997–2000)

Sir Rodric Braithwaite

Head of the FCO European Integration Department (External) (1973–75); Head of Chancery at the UK Permanent Representation to the European Economic Community (EEC) (1975–78); Ambassador to Russia (1988–92); Prime Minister's Foreign Policy Adviser and Chairman of the Joint Intelligence Committee (1992–93)

Anthony Cary

FCO European Community Department (1982–84); member of the cabinet of Leon Brittan at the European Commission (1989–92); Head of the FCO EU (Internal) Department (1993–96); *chef de cabinet* to Chris Patten at the European Commission (1999–2003); Ambassador to Sweden (2003–06)

Sir Brian Crowe

Head of Chancery at the UK Permanent Representation to the European Economic Community (1979–81); Counsellor and Head of the FCO EEC (External) Department (1982–84); Director-General External and Politico-military Affairs at the Council of the European Union (EU) (1994–2002)

Sir Jon Cunliffe

UK Alternate Member of the EU Monetary Committee (1996–98); EU Economic and Financial Committee (2002–2011); Prime Minister's adviser on European and global issues and Head of the Cabinet Office European and Global Issues Secretariat (2007–11); UK Permanent Representative to the EU (2012–13)

Sir David Durie

Cabinet Office European Secretariat (1983–85); UK Deputy Permanent Representative to the European Union (1992–95)

Sir John Holmes

Head of the FCO EU (External) Department (1995–96); Private Secretary (Foreign Affairs) to the Prime Minister (1996–99); Principal Private Secretary to the Prime Minister (1997–99); Ambassador to Portugal (1999–2001) and France (2001–07)

Lord Jay of Ewelme

Private Secretary to the FCO Permanent Under Secretary (1982–85); Counsellor at the Cabinet Office European Secretariat (1985–87); Assistant Under-Secretary of State for EC Affairs at the FCO (1990–93); Deputy Under-Secretary of State for EC and Economic Affairs (1994–96); Ambassador to France (1996–2001); FCO Permanent Under-Secretary (2002–06)

Anne Lambert

Counsellor (Industry) at the UK Permanent Representation to the EU (1994–98); Deputy Permanent Representative to the EU (2003–08)

Sir Christopher Mallerby

Minister in the UK Embassy in the Federal Republic of Germany (1982–85); Ambassador to Germany (1988–93) and France (1993–96)

Peter Pooley

Seconded from the Ministry of Agriculture, Food and Fisheries (MAFF) to the Foreign & Commonwealth Office (FCO) as a Second Secretary at the UK Mission to the European Communities (1961–63); Minister (Agriculture) at the UK Permanent Representation to the European Economic Community (1979–82); Deputy Director General (Agriculture) (1983–89); Deputy Director General (Development) (1989–95); Acting Director General (Development) European Commission (1992–94)

Lord Powell of Bayswater

Counsellor at the UK Permanent Representation to the EEC (1980–84); Private Secretary (Foreign Affairs) to the Prime Minister (1984–91)

Bill Stow

UK Permanent Representation to the European Community (1985–88); Head of EC and Trade Policy Division at the Department of Trade and Industry (1994–96); Deputy Director General (Trade Policy and Europe) (1996–98); Deputy Permanent Representative to the EU (1999–2003); Director General at the Department for Environment, Food & Rural Affairs (Defra) (2003–15)

Sir Stephen Wall

Assistant Head and later Head of the FCO European Communities Department (1983–88); Private Secretary to the Foreign Secretary (1988–90); Private Secretary (Foreign Affairs) to the Prime

Minister (1991–93); UK Permanent Representative to the European Union, (1995–2000). Prime Minister's European Adviser and Head of the Cabinet Office European Secretariat (2001–04)

Sir Nigel Wicks

Principal Private Secretary to the Prime Minister (1985–88); Second Permanent Secretary (Finance) at HM Treasury (1989–2000)

Convenors:

Dr Catherine Haddon

Fellow at the Institute for Government and lead on the History of Whitehall programme.

Peter Riddell

Former Director of the Institute for Government.

Daniel Thornton

Programme Director, Institute for Government.

Brief Chronology: Whitehall and Europe, 1979–2010

- 1979** **29-30 November:** European Council summit, Dublin: the European Commission, supported by the French government, offers a £350m rebate to Britain.
- 1980** **27-28 April:** Luxembourg Summit agrees a short-term compromise rebate of £710m for the UK to cover 1980, and £860m to cover 1981.
- 1981** **26-27 November:** London Summit (UK presidency) agrees to convene a special meeting of EEC foreign ministers to explore four interconnected issues: the need for reform of the European dairy sector; the guidelines for agricultural expenditure in EEC member states; the specific issues of Mediterranean agriculture; and the need for wider EEC budget reform.
- 1982** **May:** The UK tries to invoke the Luxembourg Compromise to veto a Common Agricultural Policy deal on food prices.
- 1983** **19 June:** The UK reluctantly signs up to a Solemn Declaration, confirming its commitment to ever-closer union between peoples and member states.
- 1984** **25-26 June:** Fontainebleau Summit: following UK diplomatic efforts with France, President François Mitterrand and Chancellor Helmut Kohl agree a long-term budget rebate of 66%.
- June:** A special committee is set up under Irish Senator James Dooge to discuss the future development of the European Community – Minister of State for Europe, Malcolm Rifkind, attends on behalf of the UK.
- 1985** **7 January:** Jacques Delors becomes President of the European Commission.
- May/June:** The UK passes a proposal to Chancellor Kohl for a non-treaty agreement on progress to a single market.
- 14 June:** The Schengen Agreement is signed by five EEC member states (Belgium, France, Germany, Luxembourg and the Netherlands).
- 28-29 June:** Milan Summit: Germany and France, with Italy in the chair, present a treaty based on a UK proposal through majority vote to an Intergovernmental Conference.
- 2-3 December:** Luxembourg Summit: agrees the text for the Single European Act.
- 1986** **1 January:** Portugal and Spain join the European Community (EC) and the European flag is unveiled.
- 17 and 28 February:** The Single European Act is signed by member states, pursuing the goal of an internal market by 31 December 1992 and expanding the use of qualified majority voting in the Council of Ministers. It also enhances the legislative powers of the European Parliament and commits to creating a 'European Union' by 1 January 1993.

6 December: London Summit: reiterates EEC commitment to complete the 'single large market'; also notes wider efforts to increase growth and employment in the EEC, and to better coordinate anti-narcotics efforts by member states' law enforcement agencies.

1987 **1 July:** The Single European Act enters into force.

1988 **June:** Prime Minister Margaret Thatcher agrees to a committee, to be chaired by Commission President Jacques Delors, to examine the next steps to Economic and Monetary Union.

6 July: Delors tells the European Parliament that he expects in a decade's time that 80% of all economic legislation will be made at Community level. In late July, Delors called for a 'germ' of European government; Thatcher delivers a direct rebuke on UK radio a week later.

8 September: Delors addresses the TUC conference in Bournemouth, calling for collective bargaining at the European level.

20 September: Margaret Thatcher makes speech on Britain and Europe to College of Europe in Bruges, Belgium.

1989 **25 June:** A meeting between Thatcher, Chancellor Nigel Lawson and Foreign Secretary Geoffrey Howe in which the latter two threaten to resign if the prime minister does not set a date for joining the Exchange Rate Mechanism (ERM).

26-27 June: Madrid Summit: discusses the conclusions of the Delors Committee on three stages towards European Economic and Monetary Union: 1. All member states joining the ERM; 2. Transitional stage; 3. exchange rates fixed and establishment of the European Central Bank. The UK was opposed to stages 2 and 3.

8-9 December: Strasbourg Summit: An intergovernmental council is agreed for the following year to take forward proposals for monetary union. An interdepartmental committee under Treasury Second Permanent Secretary Nigel Wicks is to consider the UK position.

1990 **April:** Kohl and Mitterrand set out proposal for a second Intergovernmental Conference to cover political union.

July: John Major, as Chancellor of the Exchequer, proposes the Hard ECU as an alternative to stage 3 of the Delors Committee.

August: A European Commission paper on European Monetary Union (EMU) calls for closer union on other fronts to complement it, and more powers for the Commission and European Parliament.

October: Cabinet agrees to Britain entering the ERM.

27-28 October: Rome Summit – agrees stage 2 of EMU and the text on greater political union. The UK issues dissenting footnote. Thatcher, reporting back to the House of Commons on the Summit, says 'No, no, no'.

- 18–20 November:** In the first round of the Conservative leadership contest Thatcher fails to win outright. John Major succeeds her as Prime Minister.
- 1991** **December:** The House of Commons debates Europe on the eve of the Maastricht European Council. The Government carries the vote by a majority of 101, with only six Conservative rebels.
- 1992** **21 May:** Twenty-four Conservative backbenchers vote against a second reading of the Maastricht Bill.
- 2 June:** Danish voters reject the Maastricht Treaty in a referendum. Progress on the Maastricht Bill is suspended.
- 16 September:** Volatile currency markets put the ERM under pressure. The UK Government raises base rates in an effort to prompt currency traders to buy sterling.
- 20 September:** French voters narrowly approve the Maastricht Treaty in a referendum.
- 16 October:** Birmingham Summit: reiterates a commitment to implementing the Maastricht Treaty, Economic and Monetary Union, and to bringing Europe closer to its citizens.
- 11–12 December:** Edinburgh Summit: agrees a series of declarations relating to implementation of the Maastricht Treaty in light of Danish voters' rejection, and on the future working of the European budget.
- 1993** **May:** Denmark holds a second referendum on the Maastricht Treaty and votes in favour, having received an opt-out of monetary union.
- 23 July:** The UK Government wins a motion of confidence on its policy towards the Social Chapter of the Maastricht Treaty by a margin of 339 to 299.
- 1995** **1 January:** Austria, Finland and Sweden join the EU. Norway voters rejected joining in a referendum.
- Border controls are dropped as a result of the Schengen Pact.
- 2 June:** Negotiations begin on what will become the Amsterdam Treaty
- 1997** **18 June:** The Amsterdam Treaty is signed – prepared the EU for its eastward expansion. More national vetoes are abolished. Laws on employment and discrimination are strengthened, and the social chapter of the Maastricht Treaty becomes an official part of EU law. The Schengen Agreement also becomes law, although Ireland and the UK maintain opt-outs.
- 27 October:** Chancellor Gordon Brown announces 'five economic tests' for entry into the single European currency.
- 1998** **3 May:** Eleven EU member states meet the criteria for joining the single currency.
- 1 June:** European Central Bank (ECB) is established

14-15 June: Cardiff Summit – urges completion of all remaining steps before the Euro comes into existence as an official currency on 1 January 1999.

1999 **1 January:** The Euro comes into existence as the official currency of 11 countries.

2001 **January:** Greece adopts the Euro.

26 February: Treaty of Nice signed – a reform of EU institutions and voting procedures.

June Irish voters reject ratification of the Treaty in a referendum (but approved ratification in a second referendum in October 2002).

2002 **1 January:** Euro notes and coins are introduced in the 12 participating states, and over the next few months their national currencies are phased out.

The European Constitutional Convention commences work under the auspices of former French President Valéry Giscard d'Estaing (with Sir John Kerr as Secretary-General).

2003 **June:** The Treasury announces that the five tests for UK entry into the single currency have not yet been met.

December: The Intergovernmental Conference ends, as heads of state and government fail to agree a final text for the proposed European Constitution.

2004 **29 October:** EU leaders sign a new constitution in the same room where the Treaty of Rome was signed, to establish the EU.

2005 **29 May, 1 June:** Referendums in France and the Netherlands reject their governments' plans to ratify the EU constitution.

July: UK presidency – a significant focus of this period is the negotiation of the EU budget for 2007–13. The UK proposes a lower figure (1.03% of Europe's combined gross national income) than the preceding Luxembourg presidency (1.06%).

15-16 December: Brussels Summit – the UK agrees to a partial reduction in its budget rebate (€10.5bn, approximately 20%) in order to secure a wide-ranging review of EU spending, including on agriculture.

2007 **1 January:** Romania and Bulgaria become EU member states.

13 December: The Lisbon Treaty is signed – it enhances the European Parliament's role in legislation and expands use of Qualified Majority Voting (QMV) in the Council of Ministers. It also introduces the practice of requiring a 'double-majority' – i.e. the support of at least 55% of the Council members, who must also represent at least 65% of the EU's citizens.

2009 **1 December:** The Lisbon Treaty comes into effect.

Transcript

- SIR ANDREW CAHN** Thank you very much for giving a day, or the best part of a day, to this Witness Seminar. The idea is not to find out where Charles Moore¹ got it wrong about Mrs Thatcher's² motivation; the idea is to understand how Whitehall worked, to contribute material to a history of Whitehall, and in this case look at a particular segment of it: how Whitehall dealt with the European Community and the European Union over a period of time. We've focused on the period 1979 to 2010, but we will start looking backwards to the ten years before that and Britain's accession to the European Union. The discussion is on the record. The whole purpose of this is to be a bit of oral history, so it is on the record. We might start by just going around the table, it is helpful to hear your voices and to remind everybody what you did. John, why don't we start with you?
- SIR JOHN HOLMES** John Holmes, I was in the Foreign Office from 1973. My particular involvement in Europe was mainly, or partly, in France from 1984 to 1987, when I dealt with European Affairs in the Embassy in Paris; more particularly in 1996 when I was briefly head of European Department (External), and particularly also as Private Secretary to John Major from 1996–97, and then Tony Blair from 1997–99,³ including the Amsterdam Treaty and the BSE crisis.⁴
- SIR RODRIC BRAITHWAITE** I started my career about 100 yards away from here, my career at the Foreign Office, 60 years ago almost to the day. I can remember quite a lot of what happened, but I was involved for five years, solidly involved in EU affairs from 1973–78, and that takes in the first referendum, which I think is still relevant. And Whitehall organisation, I think, is interesting that it has changed now, but it was Foreign Office for quite a long time; but that was when I was fully involved in EU affairs. After that, I was only in a position to snipe from the sidelines from the Foreign Office planning staff and the rather ungrateful position of DUS [Deputy Under-Secretary] Economic in the Foreign Office, and similarly when I was working in Downing Street, but my sniping was completely ineffective.
- CAHN** [*laughter*] Michael, your sniping was very effective.
- LORD JAY OF EWELME** Thank you, I started on EU affairs in the Cabinet Office European Secretariat between 1985 and 1987, during the negotiations for the Single European Act. Then from 1987 to 1990, I was Financial Counsellor in Paris, amongst other things trying to persuade the French of the merits of the Chancellor of the

¹ Charles Moore, *Margaret Thatcher: The Authorised Biography, Volume One: Not for Turning* (Allen Lane, 2013), *Margaret Thatcher: The Authorised Biography, Volume Two: Everything She Wants*, (Allen Lane, 2015)

² Margaret Thatcher, *Baroness Thatcher, Prime Minister, 1979–90*

³ Sir John Major, *Foreign Secretary, 1989, Prime Minister 1990–97*; Tony Blair, *Prime Minister, 1997–2007*

⁴ BSE – Bovine spongiform encephalopathy (commonly known as 'mad cow disease')

Exchequer's Hard ECU proposals.⁵ From 1990 to 1996, I was EU Director in the Foreign Office, then Director-General for EU and International Affairs. This period included the Maastricht negotiations, the UK presidency of 1992, and in particular the Danish referendum and leading the negotiations on finding a solution to that. Then I was British Ambassador in Paris from 1996 to 2001, and Permanent Secretary from 2002 until 2006.

SIR BRIAN CROWE

Brian Crowe, I am basically what is says on the can. I was first involved with EU affairs in the British Embassy in Bonn; during the renegotiation and then the referendum, I was in Bonn at that time. I was in the planning staff like Rodric, then I was on the external side in the office, ECD (E),⁶ Ambassador in Austria during the Austrian negotiations for entry into the then-EC, and then working in Brussels as Director-General for External and Politico-military Affairs in the Council, so always on the external side. So I look at this agenda with fascination, with great interest, but with doubts about whether I can contribute to it.

ANNE LAMBERT

I'm Anne Lambert, I started work on European affairs back in 1990, negotiating insurance directives as part of the Single Market. They were the single passporting directives, similar for insurance and for banking. I have had two stints at UKREP,⁷ 1994–98 as the Industry Counsellor, which included a UK presidency, and then 2003–08 as the Deputy Permanent Representative, which also included a UK presidency.

BILL STOW

I am Bill Stow, my very first job in DTI⁸ was helping negotiate a tiny sliver of the Accession Treaty, on the export of copper scrap, and despite that not being a very exciting topic, I think I got the bug then, and every job I did after that in the DTI had a European dimension. Through the eighties I was mainly doing trade policy, and in UKREP in Brussels as First Secretary for Trade. I came back in 1988 to coordinate single market policy, including the European Economic Area negotiations and the first discussions on how we dealt with the central and East Europeans. And then three years out doing a serious job in finance, and back to coordinate all DTI policy on the EU, and then I was Anne's predecessor as Deputy Perm. Rep. in Brussels. When I came back I was doing environment policy, Director-General for Environment in Defra, which included obviously climate change.

ANTHONY CARY

My first job doing European stuff was in ECD (I),⁹ as it was then in the early 1980s, where my main job was covering agriculture and doing quite a lot of speech-writing. My biggest piece of work with a Whitehall dimension was producing a ghastly piece of propaganda called *Europe: The Positive Approach* for the ten-year anniversary. I moved to the Commission as Leon

⁵ Hard ECU – the 1990 UK proposal for an alternative to European Monetary Union

⁶ ECD (E) – European Community Department (External)

⁷ UKREP – UK Representation to the EU

⁸ DTI – Department of Trade and Industry

⁹ ECD (I) – European Community Department (Internal)

Brittan's¹⁰ deputy *chef de cabinet*, covering his external stuff, but I also took responsibility for the insurance directives which were going through at that time. Then I was Head of EUD (I),¹¹ during the time of Maastricht and the BSE crisis as well. And then I came back as *chef de cabinet* to Chris Patten,¹² so I served twice in Brussels but never in UKREP – and then I was ambassador to Sweden.

SIR DAVID DURIE My first involvement with the European Union was way back in 1974 when I was in the delegation to the OECD,¹³ and rather by surprise we had to coordinate our positions with the rest of the European Union, who didn't really understand what was going on. This became more serious when the Conference on International Economic Co-operation (known as the 'North–South Dialogue') took place in Paris, and where the European Union was represented by the Commission and by the presidency only, so we had to coordinate at EU level on everything. This culminated in 1977 during the first UK presidency. I was then in the European Secretariat of the Cabinet Office from 1982 to 1984, I think, rather than 1983 to 1985: very heavily involved in all the discussions on the rebate and what we would do if we didn't get it, which was quite interesting.

After that, I got involved in some DTI specialities. Almost single-handedly, I completely reformed the shipbuilding directive to make it useable; it had been completely unworkable, and the Commission wanted to tighten the rules. I persuaded them and all other member states that that wasn't a good idea. I then was the Deputy Perm. Rep. from 1991 to 1995 in COREPER I,¹⁴ which seems to be well represented here today, during the main thrust towards the Single Market and that took up most of my time there. And finally, with DTI after that I was responsible, amongst other things, for the reform of the structural funds.

SIR NIGEL WICKS I joined the Treasury in 1968. My first two brushes with European affairs were in the early 1970s with banking. I was the desk officer for the Community budget during the first renegotiation. A couple of sojourns in Downing Street, spent time in Washington, and latterly before I left the Treasury in 2000, I did lots things to do with European Union, Chairman of the Monetary Committee and other committees as well. But since 2000 I have also been much involved on the other side of the fence, lobbying and working on behalf of various financial service industries, including a significant one based in Belgium.

SIR CHRISTOPHER MALLABY Christopher Mallaby. Well, I may be unusual here because my involvement in all this has never been as a full-time EU, or predecessor organisation, job. It has always been bilateral work, first of all as ambassador in West Germany, then in united Germany and then in Paris. So, seeing a lot every day, but

¹⁰ Leon Brittan, Baron Brittan of Spennithorne, European Commissioner 1989–1999, Vice-President of the Commission, 1999

¹¹ EUD (I) – European Union Department (Internal), the successor to ECD (I)

¹² Chris Patten, Baron Patten of Barnes, European Commissioner for External Relations 1999–2004

¹³ OECD – Organisation for Economic Co-operation and Development

¹⁴ COREPER – Committee of Permanent Representatives in the European Union, made up of two committees: COREPER I – Deputy Heads of Mission, and COREPER II – Heads of Mission

seeing it in bits and pieces, and above all seeing it in terms of the psychology and motives of Germany and France in European affairs.

PETER POOLEY

Peter Pooley. I go back as far as 1961 in this field, when I was in Brussels for the first time. You young people have probably forgotten about that period: this was the negotiation to try and get into the European Union, headed by Ted Heath,¹⁵ who later became a failed prime minister, and blocked by Charles de Gaulle,¹⁶ who later became an international airport. [*laughter*]

My background was very much in agriculture, and later on I was in UKREP along with Charles Powell and Brian Crowe and others, and in close contact always with the Ministry of Agriculture, as represented by Andrew Cahn and others, and then on to the European Commission as a sort of general manager for the Common Agricultural Policy – a very exciting job at the time because it involved two-thirds of the Community's budget and three-quarters of its legislation. This was extremely tiring, and so I took a sideways move to look after 'Third World' aid and trade in the European Commission, which was also quite tiring so I retired early, and there is the end of my story. I think I have the experience, perhaps you will agree, of the heyday of the Ministry of Agriculture – God bless its memory – because this is the time when it really was at the centre of European affairs, and involved in things down to a very low level, at a principal level, in some important negotiations and decisions – and that was inspiring and invigorating for a man who came off the farm as a small boy.

SIR STEPHEN WALL

I was in the Embassy in Paris at the time of the accession, and back in London I did Europe stuff in the Foreign Office news department. From 1983 to 1988 I was Assistant Head and then Head of the European Community Department (Internal), and then I worked, did quite a lot of Europe stuff, as private secretary to Geoffrey Howe,¹⁷ John Major, Douglas Hurd,¹⁸ and then John Major in Downing Street; 1993 to 1995 I was ambassador in Portugal, and then 1995 to 2000 Perm. Rep. in Brussels; 2000 to 2004, Head of the European Secretariat and EU adviser to Tony Blair.

LORD POWELL OF BAYSWATER

Well, my involvement with Europe was actually pretty limited. [*laughter*] I had a brief brush with it in the Foreign Office planning staff, in the early days of the planning staff in about 1967, but then until I went to UKREP for, I think, about two-and-a-half to three years in 1980, I had nothing else to do with it; and then moved to Downing Street in 1983 and stayed there until 1991, when Europe was a fairly substantial subject. But not the only one – people sometimes forget that – there was an awful lot else going on at the same time, ending the Cold War and a few other small things.

¹⁵ Sir Edward Heath, Lord Privy Seal, 1960–63, Prime Minister, 1970–74

¹⁶ Charles de Gaulle, President of France, 1959–69

¹⁷ Geoffrey Howe, Baron Howe of Aberavon, Foreign Secretary, 1983–89

¹⁸ Douglas Hurd, Foreign Secretary, 1989–95

CAHN

So, from the author of the Bruges speech, he had very little to do with Europe. Yes, that's good. *[laughter]* That's a good start. Just to complete this, I am Andrew Cahn. I remember my first brush with the European Economic Community, as it then was, in 1974, going out for a fisheries management committee and being completely bewildered, wholly unprepared for it, Whitehall hadn't sort of told me what it was about, and it was a completely surreal experience. I then worked for most of the people in this room, and went out to UKREP for the first presidency in 1977. I was then part of the cereals and sheep meat management committees, deep in the entrails of the Common Agricultural Policy.

I then went out to UKREP working for Peter [Pooley], and moved over to be part of Lord Cockfield's¹⁹ Cabinet, part of the team which did a lot towards the creation of the Single Market, probably the most useful thing I did in my career. And then I was Deputy Head of the European Secretariat; it was interesting as to where the power was ebbing and flowing in different parts of Whitehall, at that time the Cabinet Office was particularly dominant. And then I went out to be Neil Kinnock's²⁰ *chef de cabinet* for a few years, including during the resignation of the Santer Commission,²¹ so that was a quite exciting period of time.

We will very quickly get onto the chronology, and the arrival of the Conservative Government in 1979 and focus on getting a rebate, but just to start, if I may, and perhaps turn to Peter and to Rodric first of all, about how Whitehall adjusted itself to membership of the European Economic Community and the changes that you found because you both were in Whitehall prior to membership and then saw the changes.

Peter, can I just start with you, because you were so closely involved in MAFF?²²

POOLEY

What I found fascinating was the typical Whitehall civil servant's attitude to negotiation internationally and multilaterally, aside from, of course, FCO: your typical Whitehall senior civil servant had really pretty limited exposure to international, multilateral negotiation. Quite a lot of bilateral, sort of bargaining, but especially in that first negotiation under Edward Heath, there was a feeling that if you had good arguments, you put them forward; the chairman listened, as in a Cabinet committee, and at the end of the meeting he summed up, and you've won most of your points but you've lost a few, and that was that. And people didn't realise, with one or two exceptions, what the negotiation was all about, how it worked, and how important it was to know the people, and their background.

By the time we joined, this situation had improved, but it still took quite a long time for some people in Whitehall to understand how to go about a negotiation, even in a management committee, deep in the entrails of the

¹⁹ Arthur Cockfield, Baron Cockfield, European Commissioner for Internal Market and Services, 1985–89

²⁰ Neil Kinnock, former Leader of the Labour Party; European Commissioner, 1995–2004

²¹ Jacques Santer, President of the European Commission, 1995–99

²² MAFF – Ministry of Agriculture and Fisheries

Common Agricultural Policy, there is a special skill to be learned, quite different from other multilateral bodies, and it took some time for some people to pick it up. Of course there were some who were very much on the periphery, who never learned, but most people took the experience very well – and it was rather inspiring to hear the reactions of our European colleagues amongst the six to the arrival of the British civil servant and diplomat at the negotiating table. They were universally, almost universally, in admiration of our skills, our intelligence; our sense of humour was a great thing. They never properly understood it, most of them, but they could bluff their way through, as one does distinguishing claret from burgundy. [*laughter*]

We were described as having a Rolls-Royce of a civil service, which came with particular warmth from the French, who had always assumed – and perhaps still do – that their *inspecteurs des finances* were the greatest civil servants the world had ever seen, and they did more or less despise a country where a language was spoken where we had lost our subjunctives; but it was nevertheless interesting to see that development in negotiating skills were to do with the understanding of other people, as much as the understanding of issues, and the understanding of different backgrounds and cultures.

WALL In 1972, Ted Heath issued an injunction to William Armstrong,²³ then Head of the Civil Service, that all permanent under-secretaries were to send, find some of their best people to send to Brussels. And William Armstrong clearly jibbed at this, and Heath responded, saying: ‘Any permanent secretary who doesn’t do as I say will find that he is no longer a permanent secretary.’

CAHN And yet, departments did use the opportunity of accession to get rid of some of their less good people, or inconvenient people, to the Commission.

BRAITHWAITE I just wanted to come in on both those points. I was very struck in the early days by the sense of panic and fear that an awful lot of British civil servants felt when they went to Brussels. One of our jobs when I was in Brussels was cheering them up and saying actually, ‘You are at least as good as they are, often better’, but they didn’t start by feeling that. We actually screwed the French quite often, by the end. But the other point, which is Stephen’s, is the difficulty of getting Whitehall departments to send good people to work in the Commission, except at the very top level, and of course Heath started off with the wrong idea of who, what sort of people you needed to go to the Commission. He said: ‘I want businessmen, people who have had experience of the real world, not a whole load of bureaucrats’, whereas actually you wanted very tough bureaucrats in the Commission. And so I was dealing with the business of recruitment into the Commission from Whitehall, and it was quite a dispiriting business.

CROWE Can I just follow that up, because I succeeded Rodric in his job in Brussels as Head of Chancery, and it was a continuing problem to get Whitehall not only to send people to the Commission, to be recruited directly into the Commission, but also for British civil servants to go and have a period of three or so years in

²³ William Armstrong, Head of the Civil Service, 1968-74

the Commission, and they didn't want to go because they were not assured by Whitehall that they could come back to their parent departments if it didn't work out. And even finally after a long battle, when the Foreign Office – pushed by us in Brussels to get that so-called 'return ticket' – it's not very attractive to someone going out at the age of, say, 32, five years in the Commission, to come back again at 37. Okay, he comes back again into the department but in the same rank, and all his contemporaries have been promoted.

- CAHN** Well, the early experience of being Deputy Permanent Representative was that it was the end of your career. I think David [Durie] was the first one to come back and have a decent career in Whitehall afterwards; all the previous ones had been sent into outer darkness.
- CROWE** I mean, basically, Whitehall wanted these people off their books. They didn't want to pay them, they didn't want to keep any vacancies open for them, and so this was a huge disincentive to good people to go and try their hand in Brussels but to return if they didn't want to make a career of it – and you see the results now.
- STOW** My last role, before I retired, was running the cross-Whitehall project called 'Success in the EU', which was intended to get more Brits into the Commission. So, it didn't really change throughout that time, the same sorts of problems, as to departments being unwilling to commit themselves.
- CROWE** There was a long period when the 'return ticket' was actually withdrawn, wasn't there?
- POOLEY** There was an interesting pamphlet, a rather critical one, written on the exercise of recruitment, written by a 'Mrs Crowe' whom I knew.
- CROWE** I don't know how you know that, as she wrote under her maiden name of Willis. [*laughter*]
- DURIE** It certainly was the case in the DTI in 1973–74 that the people who both volunteered for Brussels and were accepted in the Commission were not always the best: they were a very mixed bag, and some of them were quite poor. Many of the better ones went to UKREP.
- CARY** Seen from within the Commission, later, I would just comment that I think a lot of that early intake, perhaps because of the circumstances of their recruitment, had quite an animus against the United Kingdom. They felt embarrassed by a lot of British governments and determined to show how very European they were within the Commission. So, far from being a sort of fifth column for Britain in the Commission, I think they took the opposite tack.
- WICKS** A more general point about this recent discussion that we have had: when you negotiate, you can do so in two ways. You can treat negotiations as a transaction: you can do the transaction, get on with it, do it, and then move onto another transaction; or you can treat the negotiation as part of a long-term relationship. My feeling is that right throughout the period that we are

talking about, and indeed today, the transaction element was the predominant. But if you really want to get anywhere in the EU in a negotiation, you have really got to start with relationships, both personally among the civil servants and their opposite numbers, and also between governments. I don't think we learned quickly enough in EU negotiations that the tactic for negotiating should be relationship-based, and I'm not even sure we have learned that today.

CAHN

That segues nicely into the subject I want to come to next. In the early days, the Foreign Office were undoubtedly the dominant department in our relationship with Europe. The Foreign Office, of all government departments, are experts in developing relationships, that's their professional skill. And yet you're saying that this didn't really happen. Rodric?

BRAITHWAITE

The Foreign Office was despised in Whitehall for much of the time because it concentrated too much on developing relationships. I think that the mechanism that was there in the early 1970s, I think lasted probably until the early 1990s, roughly speaking, but at that time the Foreign Office was the lead department. It had a very strong lever, which was that it had a substantial degree of control over communications between Whitehall and Brussels. All telegrams to Brussels had to go through the Foreign Office, which meant that the Foreign Office in London and the Permanent Representative in Brussels had a sort of censorship role – they could stop things getting through. Now, the Treasury, of course, would ring Nigel [Wicks] up and tell him he must do something quite different, but at the end of the day everybody working in Brussels was working for the Permanent Representative, so this was actually a rather powerful lever that the Foreign Office had.

The other thing about that period was the very close and effective alliance between the Foreign Office – you always had somebody like Michael Butler,²⁴ a really brilliant AUS [assistant under-secretary] – and the powerful relationship and alliance between him and the Head of the European Secretariat, who was in these early days Pat Nairne²⁵ from the Ministry of Defence – so he wasn't a Foreign Office person. But those two, if they worked out the tactics between them, would get their way surprisingly often. So that was part of it. UKDEL²⁶ and the Permanent Representative from the Foreign Office led the negotiations and in the end everybody was working for the Permanent Representative, and in the end converged on that.

And the other thing that he had, the Permanent Representative, was some control, and in the end a veto, over whom the home departments chose to send out. I mean, there were one or two occasions where he turned down nominees. One was somebody from the Treasury. I took a phone call from – I forget who it was now – saying, 'Well, you may think this isn't the best person we have got, but we haven't got anybody else. And if you don't take them, we will have to send a second-rate person,' and I said, 'If the Treasury wants to

²⁴ Sir Michael Butler, Assistant Under-Secretary for European Community Affairs at the FCO, 1974–76, later Permanent Representative to the EEC, 1979–85

²⁵ Sir Patrick Nairne, Second Permanent Secretary and Head of the European Secretariat, Cabinet Office, 1973–75, later Permanent Secretary, Department of Health and Social Security, 1975–81

²⁶ UKDEL – the UK Delegation to the EEC and its successors

be represented by a second-rate official, that's their business.' And the Treasury sent us not their first choice, but a very effective alternative. Was it Geoffrey Fitchew?²⁷

- WICKS** Was it Geoffrey Fitchew? Yes, you got Geoffrey Fitchew. He was first class.
- BRAITHWAITE** Or was it you? [*laughter*] I think it was Geoffrey. Of course Agriculture, DTI, the Treasury had huge interests, and they could get their way on the substance; the Foreign Office couldn't stand in their way beyond a certain point. But I think, my impression is that that central axis for the conduct of business – which was this link between the assistant under-secretary in the Foreign Office and the head of the European Secretariat – went on functioning certainly into the Major time and then very soon, probably to do with the arrival of Tony Blair, changed, and, for example, the Permanent Representative was no longer automatically from the Foreign Office.
- CAHN** The original agreement, I think, was that Michael Palliser²⁸ would be the first Perm. Rep., and after that it was to alternate between departments, but that was an agreement which was never honoured.
- BRAITHWAITE** That was an agreement which – well, clever old Foreign Office. But actually, the two that I worked with, which was Michael and Donald Maitland,²⁹ were both outstanding. So I think the country got a good deal, even though they were Foreign Office.
- JAY** I very much agree with what Rodric was saying, but I just wanted to comment from my time in European Secretariat in the Cabinet Office. This was in the mid-1980s, and of course one was involved to quite a large extent with the big policy issues – but one of the main jobs that the European Secretariat of the Cabinet Office had, and saw itself as having, was to ensure that those departments that were not as enthusiastic about the European Union as some others were brought along. And the combination of, in my day, David Williamson,³⁰ as the Head of the European Secretariat, and Michael Butler and then David Hannay³¹ and Robin Renwick,³² worked extremely effectively in explaining to people what the issues were and why it was that departments such as the Home Office, which tended to be a bit of a laggard, actually needed to take European issues seriously. It was a very effective example of cajoling and influence to get Whitehall to focus on the European Union.

²⁷ Geoffrey Fitchew, Director-General, Financial Institutions, European Commission, 1986–93; Head of the European Secretariat, Cabinet Office, 1993–94

²⁸ Sir Michael Palliser, Permanent Representative to the European Economic Community, 1973–75; Permanent Under-Secretary FCO, 1975–82

²⁹ Sir Donald Maitland, Permanent Representative to the European Economic Community, 1975–79

³⁰ David Williamson, Lord Williamson of Horton, Head of the European Secretariat 1983–87; Secretary-General of the European Commission, 1987–97

³¹ David Hannay, Baron Hannay of Chiswick, Permanent Representative to the European Economic Community, 1985–90

³² Robin Renwick, Baron Renwick of Clifton, FCO Assistant Under-Secretary for EEC Affairs, 1984–87

- WALL** I think that there is a gradual kind of shift. If you think about the first ten years of British membership, of the years of renegotiation, first of all the Labour renegotiation, which was very much led by Jim Callaghan.³³ Jim Callaghan was in the driving seat, he did it. Wilson³⁴ was not a particularly prominent driver of that. And then you have what Margaret Thatcher wouldn't have called a renegotiation, but was a renegotiation, lasting from 1979 to 1984, when she was very much in the driving seat.
- So I think, at the political level, power started to shift, and I think that trend continued, not just in Britain but right across Europe, so that by the time I was in Downing Street much, much more was done between prime ministers' offices than had been done before. And then I do think there was then a critical turning point when Tony Blair came into power, which was particularly the fact that he appointed a foreign secretary in whom he did not have, who was not 'one of us' really. So there was a very definite shift away from the Foreign Office, to the Cabinet Office in particular, to the extent that Paul Lever,³⁵ who was then the under-secretary, insisted on a sort of written concordat as I recall, to try and carve out some specific role for the Foreign Office versus the Cabinet Office – pretty unsuccessfully, as these things tend to be.
- POOLEY** This is significant – all this talk coincides with my observation too, relating to people, in certain positions, never a mention so far of the Cabinet committee structure, the formal basis on which things were decided, seems almost as if that were a sideshow and the real decisions...
- CAHN** No, I think, that's not right, because the Cabinet Secretariat, which became more and more powerful, ran itself through the formal Committee structure, with EQ(O)³⁶ – in my day, anyway – being the dominant thing. There was the informal thing, the Friday morning meeting, but that very much fed into the formal Committee structure.
- DURIE** Yes, that's right, EQ(O) was on everybody's lips, especially on the Thursday evening. Certainly, when I was in the European Secretariat, just before Michael, the triumvirate of the Permanent Representative – which was David Hannay, the Head of the European Secretariat, David Hancock³⁷ replaced by David Williamson, and Michael Butler – they in effect together ran European policy, that's how it was then. The Friday morning meetings, every single week, which took up the issues of the day and determined what the policy was. There was, of course, the formal Cabinet committee on top of that, but it almost never departed from what had been decided at the Friday morning meetings.

³³ James Callaghan, Baron Callaghan of Cardiff, Foreign Secretary, 1974–76, Prime Minister, 1976–79

³⁴ Harold Wilson, Baron Wilson of Rievaulx, Prime Minister, 1964–70, 1974–76

³⁵ Paul Lever, FCO Assistant Under-Secretary for European Affairs, 1992–94

³⁶ EQ(O) – European Questions (Officials)

³⁷ Sir David Hancock, Head of European Secretariat, 1982–83

- CAHN** And that was from 1973 until at least 2000, I would say.
- JAY** Can I just add one thing to what David said? I would completely agree with that, but the other thing that those Friday morning meetings did was not just to look at today's issues, but at what was going to become the difficult issue tomorrow unless departments dealt with it now – and that was, I think, one of the crucial roles that that Friday morning meeting had: was to get other departments to come, and to say, 'Look, you may not realise it, but what you're not doing now is going to lead to a real crisis in six or nine months' time, unless you focus on it.' And it was a kind of contingency planning, looking ahead, which I sometimes feel that we don't have now, but was hugely important then.
- BRAITHWAITE** I just wanted to add to that, because I think the Friday morning meetings were very important and they were significant of something, which people keep misunderstanding, which is that Community business then and now was not foreign policy. There is no other relationship between a British representative abroad and Whitehall and ministers as close as that one. I mean, even the ambassador in Washington or Bonn or Paris. That Friday morning meeting was a unique institution, and with all the importance that people have attributed to it.
- CAHN** Would it be fair then, to say – and then come to Anne – that we started with the Foreign Office as dominant? They did the accession negotiations, they created the machinery, they had the Permanent Representative. Power flowed over time; with the carve-out for MAFF and to a lesser extent DTI, to the Cabinet Office taking a more dominant role, and by the end of the period with Number 10 having really taken control, with the Treasury in tandem. Is that the movement over time?
- WICKS** With one exception, it is well worth – I read it last night – reading Michael Franklin's³⁸ learned article about the EMS³⁹ negotiation, which so far as I can recall and remember from his article, that negotiation was dominated by the Treasury. The Treasury official, Ken Couzens,⁴⁰ refused to come along to the Cabinet Secretariat to discuss the matter. Michael's article is well worth reading as an example of a lack of interdepartmental coordination.
- LAMBERT** Just a few words from my experience as Deputy Perm. Rep. 2003–08, which makes it a little bit more modern, but not by much. I would see, certainly from my perspective, Cabinet Office was completely central. This was all non-foreign policy stuff; the Foreign Office was frankly a bit tangential certainly in terms of policymaking, but it was a little bit more involved on delivery when you needed lobbying. But it had no input to European policy, which was done by Cabinet Office. With very limited engagement from Number 10, except on

³⁸ Sir Michael Franklin, Deputy Director-General, European Commission, 1973–77; Head of the European Secretariat, Cabinet Office, 1977–81

³⁹ EMS – European Monetary System

⁴⁰ Sir Ken Couzens, Second Permanent Secretary (Overseas Finance), 1977–83

certain unique dossiers such as Working Time; but still in 2008 the focus was Cabinet Office.

STOW

One other point: this is the period from 1988 to a decade from then when I was coordinating policy in DTI. I think the other thing that I observed was when I came back from Brussels in 1988, the EQ(O)/EQ(S)⁴¹ system was working overtime, because there were EQ(O) meetings every two or three days because we had this huge raft of single market legislation going through, and it was crawling over everything. By the time I finished, that whole sort of formal Cabinet committee system was beginning to atrophy, I think – and I wonder if that is not unique to Europe, it was part of the ‘informalising’ of Cabinet business more generally, so I am not sure that this is just a European issue.

WALL

Tony Blair didn’t really know how Whitehall worked, and didn’t care. I can remember early on in my time when I was back and I was working for him. We had a meeting, and he said, ‘Well, I want such and such done’ and I remember saying, ‘Well, we need to talk to Nigel Wicks about that, that’s Treasury business’, and he said, ‘I don’t care who does it, just do it.’ He had no sense of, well he had never been a departmental minister, so he didn’t know how it worked at all.

CAHN

We’ve been looking back from our starting point in 1979, can we perhaps now come to 1979 and...

BRAITHWAITE

I would just like to talk about the first renegotiation, because I think it is relevant in a variety of ways to what is going on now – and one of the things about the first renegotiation is first of all I looked up the pamphlet, which was written by three senior journalists from the *Daily Mirror*, and it is a very good pamphlet, in English; Wilson didn’t want his civil servants to write it for that reason. And Wilson comes out recommending a ‘yes’ vote, which of course he got when two-thirds voted ‘yes’.

But the interesting thing about the period is the almost complete collapse of the conventions, of the Whitehall conventions of that time. You had senior officials, in the DTI, I mean Denman,⁴² and in your department, working overtly against their ministers. I mean each knew that the other was working against them. You had a ‘black propaganda’ unit inside the Foreign Office working for a ‘yes’ vote; you had the Foreign Office ‘Europeans’ working very closely with Tom McNally⁴³ to produce documents which Callaghan could pass off as his documents in Labour’s National Executive Committee. You had Christopher Soames,⁴⁴ who had sworn to be apolitical when he took up his job as a commissioner, also working for a ‘yes’ vote and running a ‘black propaganda’ campaign. It was a very, very strange period.

⁴¹ EQ(O)/EQ(S) – European Questions (Senior Officials’ Committee)

⁴² Sir Roy Denman, Head of the Cabinet Office European Secretariat, 1975–77; Director-General for External Affairs in the European Commission, 1977–82

⁴³ Tom McNally, Baron McNally, special adviser to James Callaghan

⁴⁴ Sir Christopher Soames, European Commissioner for External Affairs and Trade, 1973–77

And the question – I think Wilson knew what he wanted, I think Callaghan had a more open mind about staying in or coming out, I think Wilson was a very clever politician and managed it so that he got the two-thirds vote. Obviously, it is different today in all sorts of ways. I don't think there is that tactical determination that there was then. The key person in all of that was Michael Butler. Michael Butler, who would have resigned in the event of a 'no' vote; he is one of the very few people in the Foreign Office or any government department who would have resigned on a matter of principle. I think he would have resigned if it had been a 'no' vote.

CROWE

I was in Bonn at that time, so saw this cabal at work consisting in this case of Nico Henderson,⁴⁵ Michael Palliser, working with Michael Butler in London, and with Roy Jenkins⁴⁶ also, all seeking to keep us in the EC, at the time they thought undermining the prime minister and Callaghan, who looked perfectly prepared to take us out – although we know subsequently that Wilson and Callaghan did actually want to stay in the EU – the EEC at the time – but the cabal didn't know that at the time, and thought they were working against Wilson and Callaghan.

BRAITHWAITE

As I say, all conventions were flouted by everyone, and the result came out the way it did. I think the other thing was the atmosphere in Brussels that we had to cope with, which was one of 'You've signed the treaty, you're a member of a club, you shouldn't flout the rules.' That was against the background of Con O'Neill's⁴⁷ history: Con had negotiated this settlement and said that the financial arrangements will have to be renegotiated because they were totally inequitable. He said that the fisheries agreement was inequitable too, but nothing you can do about that, we're going to have to do the financial thing. And of course we were regarded as sort of 'spitting in church' and blasphemous by our continental colleagues who then, when the situation was reversed subsequently, also asked for their money back – the Dutch, for example.

I once told a colleague of ours who was working in the Commission at the time – he was complaining about how awful the British were and he was British – I said, 'We were twice turned down by de Gaulle, and then had to negotiate our entry from a position of disadvantage. If you impose a Versailles Treaty on a country, it is bound to behave badly.' He thought that was rather an improper thing to say, but we were in that sort of a mood, you know, it was very bad deal. And on the point of the Treasury, I had rather more sympathy for the Treasury's position with that renegotiation and the financial one, than much of the Foreign Office did. The Foreign Office had quite strong sort of federalist ideas, and rather disapproved of the Treasury's wanting to get out money back.

⁴⁵ Sir Nicholas Henderson, Ambassador to West Germany, 1972–75 and France, 1975–79

⁴⁶ Roy Jenkins, Baron Jenkins of Hillhead, Home Secretary, 1974–76; President of the European Commission, 1977–81

⁴⁷ Sir Con O'Neill, British Representative to the EEC, 1963–65, 1969–73

- CARY** Very quickly on that, just to say that Nick Spreckley⁴⁸ wrote immediately afterwards a very full account of the organisation in Whitehall during that renegotiation, which has been published by the FCO historians now, and is fascinating.
- BRAITHWAITE** It has been published?
- CARY** Yes.
- BRAITHWAITE** It had been suppressed for years!
- WALL** I knew about it because I had a copy in my cupboard, and I asked to see it when I was doing the official history, and nobody now in the Foreign Office remembered it. And having found it, it seemed to be this, it was a scandal that it hadn't been published. And Patrick Salmon⁴⁹, the FCO historian, was in charge of....
- CARY** And Callaghan incidentally comes out as knowing exactly what he wanted.
- BRAITHWAITE** And the other thing about it, however, was, as he was writing it, Nick Spreckley, he was told, 'you're not allowed to put that in, or that in', so it's not a complete history.
- CAHN** Let's now move onto our chronology, and onto 1979. A Conservative Government comes in, and the dominant European issue very rapidly becomes the question of the United Kingdom getting a rebate. A number of people around the table were involved in this.
- Can we start by asking the question of how quickly Mrs Thatcher focused on this issue, and realised it was a significant one and became clear what she wanted, and how did officials react to this? I mean, this was a real shift from what had been a period of relatively smooth water and working closely with Brussels, post the referendum. Can we focus on that arrival of the Conservative Government and the focus on the rebate?
- WALL** If I may? Jim Callaghan was the first prime minister to focus on this. He made a big Mansion House speech in his last year as prime minister, which is entirely devoted to this issue and to the problem of the Common Agricultural Policy. At that stage, they saw it more as reforming the Common Agricultural Policy and getting money back to Britain through the structural funds; but for him it was an absolutely crucial issue – he put it right to the top of the agenda and he was very unpopular with our partners as a result. So it was already bubbling away when Margaret Thatcher was elected.
- WICKS** But it wasn't bubbling away when the actual renegotiation was done, because, as I recall, at the time a lot of time and negotiating effort was given to New Zealand butter. And I recall my under-secretary was absolutely furious at

⁴⁸ Sir Nicholas Spreckley, Head of the FCO Referendum Unit, 1975, and European Communities (Internal) Department, 1979–83

⁴⁹ Patrick Salmon, Chief Historian Foreign & Commonwealth Office, 2003-present

Dublin⁵⁰ when the renegotiation was finished. He was unable to get anywhere near the deciders.

WALL But that was Wilson – and there was a moment at that Dublin meeting where Michael Butler was saying to Wilson and Callaghan, ‘Look, what the Germans are proposing is going to mean that we’re not going to get any money’, and Wilson wanted to go off to lunch because it was his birthday and they had baked him a birthday cake. And Callaghan said to Wilson, ‘Harold, you should listen to Michael because this is important’, but Wilson didn’t listen. [*laughter*]

BRAITHWAITE That is the way history is made.

CAHN So, the campaign starts to get our money back – I remember Émile Noël⁵¹ commenting that it was a legitimate campaign, improperly conducted. [*laughter*] I think everybody around the table probably agrees that it was legitimate, and it was seen at the time of the accession negotiations, the outcome of renegotiation, that something was wrong. Was it improperly conducted? Charles?

POWELL Well, I’ve been listening with great interest to this discussion, reflecting as I did, how little it touched the reality of life in Number 10 Downing Street. I mean, you guys were all busy dealing with Europe, on a daily, weekly, monthly basis, fighting battles, I’m sure – achieving heroic things which people in Number 10 were completely unaware of. It didn’t impinge on our daily consciousness, it didn’t impinge on our work: Europe was an intermittent subject, it clamoured obviously for attention at crucial times, but it was not a continuous attention. So to give a judgement from there about officials and our time in the European Union is actually rather difficult.

I suppose, if you start with Margaret Thatcher and officials, most officials – certainly a lot of Foreign Office officials – thought when she became prime minister that it was a pretty good disaster. They saw her as George Brown⁵² wearing a skirt: that she was going to muck up our relations with everyone and everything, she was crude, she was strident, and various other things, and she knew they thought that. And she knew that Schmidt and Giscard⁵³ didn’t like her, and patronised her, so she developed quite early on a hostility towards Europe and towards the machine that was engaged in making European policy. I would only add in brackets – not that I think she ever knew any officials who had ever gone to work for the Commission, which she certainly regarded as defection – it was beyond her comprehension that a Whitehall official could be serving the Commission and regard himself as a Whitehall official. This is not comfortable stuff; I just tell you honestly this is what she thought and what she believed.

⁵⁰ Dublin European Council Summit, 10-11 March 1975

⁵¹ Émile Noël, Secretary-General of the European Commission, 1967–87

⁵² George Brown, Baron George-Brown, Foreign Secretary, 1964–66

⁵³ Helmut Schmidt, Chancellor of Germany, 1974–82; Valéry Giscard d’Estaing, President of France, 1974–81

But of course, if there was one thing she was more suspicious of than officials, it was her Cabinet colleagues, [*laughter*] which meant that on the whole she preferred to work on European issues, when they came up to her, with officials, with a very limited number. The two, above all, she respected, although frequently disagreed with them, were Michael Butler and David Williamson. I don't think she'd have been able to name any others; certainly she would not have regarded them as having influence on her views. So, that is just an attempt to put it into perspective.

Now, on her views on Europe, I think they have often been caricatured. She had very little to do with Europe before she became Leader of the Opposition, and frankly not very much from then on, but she had led the 'yes' campaign for the Tory Party in the 1975 referendum – not something you do casually, it must reflect some belief in Europe and why Britain should be in it. She believed in political cooperation in Europe, she understood the security aspects of Europe: that Europe needed to hold together in Cold War terms against the Soviet Union. She described herself, in her autobiography, as idealistic about Europe.

Now, I've never been wholly convinced that was true – certainly her ideals for Europe were rather different from most other people's. But there is a case for saying that her ideals were that Europe should work together, that it was very valuable to have Europe with more weight in the world than Britain or any other country could deploy on its own; and that Britain's – and indeed the whole of Europe's, industrial, commercial, business – interests, were best served by focusing very strongly on the internal market because it had been promised in the Treaty of Rome – and no one had done a damn thing about it from the moment it was promised.

So she had an agenda on Europe that went beyond getting our money back, but getting our money back was pretty much at the top of the agenda in 1979. I wasn't there, but having talked to her over the years and having had some cooperative role in her autobiography, certainly she perceived it as the most pressing issue on Europe waiting on her desk when she first came into Number 10. This was, in her view, a very simple issue: it was an injustice, it was an injustice to Britain, it had to be corrected, and she wanted people to go out there, led by herself, to fight to get this injustice corrected. Again, very simplistic view, but one with a good core of sound sense to it. And, as you all remember, various people were sent out to fight for it – Peter Carrington, Ian Gilmour⁵⁴ – when they came back with less than total victory they were cut off at the knees, not offered chairs to sit in, and all this sort of stuff, and she would throw one her tantrums. But because it arose so early in her time as prime minister, it really coloured her attitude for the rest of the time, because she saw it as Britain against the world, Britain against Europe, Britain against the other heads of government in Europe. If you combined it with her character – which was fairly inclined to battle for things – it gave this constant appearance that on every issue we had to be against the others, and she devoted very little time to winning friends or allies or people to support us. And it was

⁵⁴ Peter Carrington, 6th Baron Carrington, Foreign Secretary 1979–82; Ian Gilmour, Baron Gilmour of Craigmillar, Lord Privy Seal, 1979–81

enhanced by dear Bernard's⁵⁵ habit of proclaiming everything a victory, even when we were 11-1 against or whatever, it was always victory, and that of course fed her belief that it was.

So I guess what I'm saying is, we in Number 10 didn't really have much perception of what officials were busy beavering away doing, even some of those who have written books about this, and describe themselves as key actors in it – I don't think she would have realised that that was the case. Perhaps she was wrong, but it wouldn't have corresponded with her view of reality. But where she did have to work with officials, and I have named the principal two, she had great confidence in them, admired their skills and so on.

Perhaps one last thing, the other thing I think she did have on Europe – sometimes more than many officials, and certainly better than her other ministers – and that was good tactical sense. It was always said that she wanted 100% of everything, and of course she did want 100% of everything, but she knew she wasn't going to get it. And few prime ministers have been as good as she was at making smoke and retreating when she had reached as much as she was going to get – and she knew it.

Fontainebleau was probably the best example of that. She wanted, even at Fontainebleau she was still going for, a 70% rebate of our contribution. She knew she wasn't going to get it, but she had to get more than she had been offered: that was the crucial thing, even if it was only 1% more than she had been offered, she had to get it. And I think that tactical sense served us well on quite a few occasions in Europe, though certainly not invariably. So that is an attempt to say how different it felt from Number 10. There was nobody working full-time on Europe in Number 10 in those days, no one really who had done much significant work in Europe, except my short spell in UKREP. I recall once, a member of the Policy Unit was insolent enough to try to write a paper on Europe, and I remember reprimanding him because it was none of the Policy Unit's business to be involved in Europe, this was not for them [*laughter*]. It was very different times, but these are things which should be understood by for those who were doing the real work – and work I hugely respect – getting the issues right and getting as much as possible of Britain's way.

WALL

I've been reading through the files as part of the official history. It is very striking that this is the issue that she grips. She got it on the agenda at the first summit in Strasbourg against the wishes of the partners and, as Charles said, [was] treated very patronisingly by Giscard and Schmidt, although she did actually subsequently establish quite a good relationship with Schmidt, not with Giscard.

Then the Dublin⁵⁶ meeting the following year, which was the famous 'I want my money back' meeting. There's a very funny passage in one of Roy Jenkins' books about the Dublin summit, with Helmut Schmidt pretending to fall asleep while she went on for 40 minutes on the subject – but the fact is

⁵⁵ Bernard Ingham, Chief Press Secretary to the Prime Minister, 1979–90

⁵⁶ European Council, Dublin, 29–30 November 1979

that there was total resistance throughout the European Community to what Britain wanted, and the most that anybody was prepared to willingly concede was a series of diminishing, ad hoc refunds which would never have seriously addressed the problem. And we had to content ourselves with those, but that was why she kept going on and on about the issue – and it was only when the money had started to run out under the then VAT ceiling that she had the real leverage.

And I think the great achievement – and she did in the end get some help from Mitterrand⁵⁷ in doing it, partly because the Community was up against it, partly because Mitterrand wanted a success in the French presidency – but the fact that the money was running out enabled her to get not only a decent deal, but an enduring deal. That was the thing that our partners most resisted until the very end, the fact that this would go on – and that it goes on today and can only be changed by unanimity is a huge, huge achievement – and that was her and to an extent in the latter stages Geoffrey Howe. Geoffrey Howe's negotiations with the [French] Europe minister, Roland Dumas,⁵⁸ were also quite significant.

There are two other things are part of it. One is the constant issue of whether we would actually withhold our contribution from the European Community budget, which kept bubbling up, but again was never actually done. And the other thing that comes across from the papers is her constantly saying to European partners: unless we resolve this, British membership of the European Community is going to become untenable – not for me, Margaret Thatcher, but for the British people. There was a lot of concern on her part about the state of public opinion generally, as well as opinion in the Conservative Party, about Europe, and this has to be resolved if Britain is ever going to come to terms, really, with being a member.

BRAITHWAITE

First of all, I absolutely agree with that. I think when she demanded her money back there was a frisson in the Foreign Office that went beyond just a question of style. They thought that this was going back on something which they thought had been settled. I was in the planning staff, so I wasn't in a particularly good place to judge that at the time, but I entirely agreed that unless this was solved, the question of our being contented members of the European Union, would always remain under a question mark; and for a major country to always be discontented would undermine the Community, the Union as such, not only the British position. That's one point.

Second point, on her tactical skills. She boasted that 'the lady's not for turning'. In fact she turned all the time, but she was very good at disguising it so that people didn't notice. On her negotiating style, I think it is arguable that she could have got at least as much if her style had been less abrasive. John Major, who I think was a very good negotiator, and got a lot out of the EU when he was prime minister, would have done at least as well as she did, but that's a sort of...

⁵⁷ Francois Mitterrand, President of France, 1981–95

⁵⁸ Roland Dumas, French foreign minister, 1984–86, 1988–93

- CAHN** David, and then I want to get back to Whitehall, as opposed to Westminster.
- POWELL** Could I just to add two very brief points, and then I will shut up. First, I agree entirely with Stephen, if you read what she wrote about this time, the mechanism for calculating our rebate had no time limit, and that featured much more in her mind than the actual sum right from the beginning. She wanted a mechanism which was permanent, and could only ever be undone with our agreement and not by others acting alone. That reflected an ability to really focus on the crucial point.
- And secondly, what he was saying about not paying our contribution and leaving the empty chair and all that stuff, that was for the birds. I mean, she was never going to do any of that, largely because she had a respect – indeed in my mind, an exaggerated respect – for the law, and she regarded those as being actually illegal things to have done which would not have served our interests. And so, although it is true that she did rattle the chains on not paying and that sort of stuff, it was never in her mind that she would not end up paying, because the law said she had to pay.
- DURIE** Starting way back in Dublin, which was before I was involved – I don't know how widely known this is, perhaps everyone here already knows it, but she was so upset by what had happened in Dublin that she had the clothes that she wore burned so that she could never wear them again. I have this from David Hancock, but I don't think it has been...
- POWELL** Well, there is another version of that story, which is that she had bought a new suit to wear in Dublin, but she was so badly treated that she refused to wear it and took it back home. That's her version. *[laughter]*
- DURIE** Coming to the period when I was in the European Secretariat – I spent a lot of my time dealing with the rebate issue – the Treasury and the Cabinet Office were very, very close on this at the time. And there was a lot of time spent explaining to the other member states that it wasn't our money back: a lot of effort was put into explaining the justice of our case and a lot of effort was spent on this wretched issue of withholding. And despite what Charles has just said, the attorney-general at the time, Michael Havers,⁵⁹ did actually give advice that withholding would be legal, and I remember the phrase that he used: 'It would be legal,' he said, 'because we could just about get a defence on its feet' and therefore it was something... *[laughter]* I agree it was never a serious possibility, but it was a very useful bit of background and underpinning, which gave a bit of confidence that if things really went wrong, we weren't going to be simply up against the wall.
- BRAITHWAITE** One more sentence on that. I suggested that okay, it is illegal, we might never do it, it was a nuclear weapon. But we could have said that if this goes on going wrong we will be under such pressure from domestic opinion that we will

⁵⁹ Michael Havers, Baron Havers, Attorney-General, 1979–87

have no choice, and I think we should have said that, or hinted that, perhaps we did?

WALL

We did.

BRAITHWAITE

We did. OK.

CAHN

Nigel, and then I wonder Christopher, whether you'd just like to say something about what it looked like from Germany?

WICKS

Two particular issues, though, I was not involved in at this particular negotiation: Stephen is absolutely right when he says that we had real leverage. We were not, in this case, *demandeurs*; every member state had to agree because of the unanimity requirement of the Own Resources Decision. That is something that we forget today. Mrs Thatcher did have leverage in a way that Mr Cameron does not have in the current discussions on EU reform.

Secondly, on what Charles says, I entirely agree with him. When I was in Number 10, European issues were relatively peripheral. They came up, they floated through, they were dealt with, but there was so much else going on that Europe was not an issue. The only person to have any say on foreign affairs, besides Charles himself of course, was Percy Cradock,⁶⁰ who was listened to.

POWELL

But not much on Europe, though. He wasn't interested in Europe.

WICKS

Not on Europe, no. But the other point I want to make about Mrs Thatcher – which incredibly annoyed some of her foreign and European colleagues – she always made sure that she knew what she was talking about. She went into great detail and she understood the dossier, which often other government leaders didn't. We'll come onto some of the agricultural negotiations. For one of these negotiations, the OECD had worked out some factors which showed the degree of each country's protectionism. Mrs Thatcher made herself expert in the figures, and she interrogated people in government departments so that she really understood them. She then used the figures in discussions with other heads of government and she annoyed them, because she clearly knew what she was talking about and the others didn't. It is really a great benefit in negotiations, knowing what you are talking about.

MALLABY

The public image in Germany was handbag and it was money-back, it was extreme persistence. It was bordering on seeming unreasonable. At the same time, German officialdom knew very well that they needed Britain, just as today even the French would say they need us because of the size of Germany, an exactly reciprocal argument about needing Britain. So I think the Germans came to the view – and I am talking now about the government – to the view that this question of the British contribution must be solved. I don't think that made them easy on the detail, but they were wanting to get it out of

⁶⁰ Sir Percy Cradock, Prime Minister's foreign affairs adviser, 1984–92; Chairman of the Joint Intelligence Committee, 1985–92

the way because it was an important difficulty with a major member of the European Union.

WALL Sorry, can I ask, really both Charles and Christopher, looking at the papers you can see where she and Helmut Kohl⁶¹ diverge on policy issues, but it's not clear from the records of meetings why it was that they had such an inadequate, to say the least, personal relationship. Because they knew each other quite well from opposition, when he was in opposition and she was in opposition, and so you would think, and as sister parties, etc., that there would be a basis for some kind of personal rapport – but it clearly wasn't there.

POWELL No, I mean, it was rooted in a lot of things and I think that Chancellor Kohl deserves much more credit than she did for trying to make the relationship work; but he failed, and he was always going to fail. It was partly personality. For her, Chancellor Kohl represented the big German banging the table: 'I'm paying, I must get my way', and she resented that. She still had that psychological thing about the Second World War: 'We won, who is this damned German now telling her what could and could not be'. I colour it enormously, but that was at the bottom of it.

Secondly, she did not think of him as a Conservative. She did not regard Christian Democrat parties as Conservative parties; she thought they were more like Social Democrats than that. So she didn't really feel there was a proper political alliance between them. But it was just 'being German', I'm afraid, that was rather a large disadvantage, and not much he could have done about it.

CAHN John, I want to come onto specifically official advice and look at several episodes. So for example, the failed exercise of the Luxembourg Compromise in the Agricultural Council and the Genscher-Colombo Plan:⁶² did we understand what the implications were? So, perhaps you could perhaps come onto those in the run-up to Fontainebleau, and then the role of officials at Fontainebleau. But Christopher, and then John, and then we'll come back to this.

MALLABY I just want to add one point to what Charles said about the relationship between the two heads of government. I think both of them wanted, quite often, to make it work, and there were some moments when they momentarily succeeded – but not very often. The main problem, I think, was the chemistry – and a big part of this chemistry was that Kohl thought that Mrs Thatcher was looking down on him, considering him not to be as clever as her, as eloquent as her, as powerful as her. He had an inferiority complex, and I think that was one of the reasons why he had difficulty.

⁶¹ Helmut Kohl, Chancellor of Germany, 1982–88

⁶² The 1981 initiative proposed by Hans-Dietrich Genscher, German foreign minister and vice-chancellor, 1974–92, and Emilio Colombo, Italian foreign minister, 1980–83

- HOLMES** I just going to say on the budget negotiations – I was never involved in any of them closely, thank God – but Christopher’s account of the perception from Bonn and Paris as it being essentially unreasonable, is the right one, I think.
- But there was always, in all of these negotiations, a big issue about, not whether we were right or wrong about – well, there was an argument about whether we were right or wrong about the pure details about the budget rebate because of complicated discussions about own resources and so on – but about whether it was right to spend so much of your negotiating capital on *this*, whether the amount of money was really as significant as was given by the government, and whether there weren’t other things we should have been doing with our partners which were important. And that was a tactical consideration, or a strategic consideration, about at what point do you settle, and at what point do you hold out. And of course, the Foreign Office tended to be on the ‘wet’ side or, you know, the wanting to look at the bigger picture side; and other people, particularly on the political side, were looking more at the politics.
- It wasn’t just that the whole of Whitehall was united about getting our money back, there was always a discussion about how much ‘oomph’ should you give to that, because if you were doing that you weren’t doing other things, and of course you were alienating our partners at the same time, you know, that had a cost to it – hard to measure, but it was definitely there.
- CAHN** So, can we move from ministers to officials, please, and three issues, as I say. One, the attempt to exercise the veto, use the Luxembourg Compromise, at the Agriculture Council, which failed, perhaps Peter wants to say something about that. The Genscher-Colombo Plan, where you could say that perhaps officials got it wrong, that they didn’t see the problems that it would cause or that it would lead onto. And then the success at Fontainebleau, where you could argue that officials actually did an enormous amount of really effective negotiation and helped to create, under the political leadership, the agreement. Can we focus on those three?
- Peter, do you want to say something about the veto?
- POOLEY** I’d like to because it hasn’t been adequately reported, certainly not in terms of the Whitehall history, that the news that there was a plot to vote down the British – or Peter Walker,⁶³ who was minister – at a Council meeting on Monday morning, came to me after lunch from David Williamson, who was then Deputy-Director General, and it alarmed me very considerably. I think I spoke to Brian Crowe about it. Michael Butler was away buying ceramics in the Netherlands at the time [*laughter*] ...
- CAHN** Porcelain rather than ceramics – definitely several steps up!
- POOLEY** This was going to happen, and there was no doubt of the form of words that we should use, and we needed to consider the public presentation. I went into the office on Saturday morning, Michael Butler came in a little later, and he

⁶³ Peter Walker, Baron Walker of Worcester, Minister for Agriculture, 1979–83

was absolutely furious. He said, 'You shouldn't have done this in my absence, and it can't be true.' And he asked who had given the evidence. And at that time Michael Butler very much was a great admirer of Michael Franklin, and David Williamson had succeeded Michael Franklin and I think that Michael felt that, at that time, no one could be half as good, and I think later realised that that was not the case.

Anyway, he said, 'You need corroboration for a thing as dramatic as that.' I said, 'Well, I can't get corroboration because nobody else is going to speak to me.' 'I'll speak to Émile Noël,' he said, and he tried to ring him at home in Paris, and then spoke to him at first thing, in my hearing, on Monday morning. And Noël said, 'No, no, no, no, never heard of such a thing.' 'There you are, Peter,' said Michael, 'Ridiculous'.

Well, I still believed it, and I met the minister, Peter Walker, and his entourage at the airport, and I said, 'Did you see the telegram?', and he said, 'No, I didn't see the telegram', and I think it might have been suppressed, actually, and I said, 'Well, I'm sure this is going to take place' – and I looked at the back papers, and when they, the president says we're going to take a vote on this, this is the form of words you should use. And we went through the whole day and into the night, taking the regulations that were required one by one, about 50 or 60, and on each occasion Peter Walker said, 'What was the formulation?'

CAHN 'Vital national interests.'

POOLEY That was that. I forget how we recovered from that.

WALL Falklands War, Falklands War: it distracted people. What's interesting, I had a conversation with Michael Butler about this, and Michael said he'd heard rumours from Davignon⁶⁴ that this was in the wind, but didn't think that it would ever happen. But the files show that there was discussion, including Margaret Thatcher and Peter Walker and the foreign secretary, at least two weeks beforehand, where they had thought about it and thought exactly about what would happen if it happened.

So it wasn't as if it came, the idea, the notion of it was a total surprise, although clearly... I bumped into Robert Lowson, who was Peter Walker's private secretary, in London the other day, and Robert said that Peter Walker threw his – in the delegation room – he threw his red box across the room. If Robert hadn't ducked, it would have hit him on the head. So I mean there was obviously that fury, but they weren't, they were not unprepared. Peter Walker did what ministers agreed he should do.

POOLEY And there was a considerable discussion, in the typical Whitehall way, of the precise formulation of words to use, *if* it came about. So, it was generally believed it couldn't happen, and it was a surprise to everybody, especially Michael, that it did happen.

⁶⁴ Étienne Davignon, Vice-President of the European Commission, 1981–85

- CROWE** I think an interesting question might be, given that we had some inkling that something like this might happen, is whether we did any lobbying beforehand, notably with the French, who were of course the authors of the Compromise.
- POOLEY** Agriculturalists aren't very sophisticated lobbyists in some ways; more lobbied against than lobbying, but I think I am accurate in recalling that words were said on an informal basis, at dinner parties and so on, about the terrible consequences of such a thing happening, for the British but also for the Community. For to lose the Luxembourg Compromise was not going to do anybody any good, but with the traditional allies, with the Dutch, the Danes and the Irish...
- CAHN** And the French, who were the originators of the Luxembourg Compromise, of course, and then flipped.
- WALL** There was lobbying, but on the basis of explaining to partners why this was of important national interest. Pierre de Boissieu,⁶⁵ who was Perm. Rep. when I was there, told me recently – because Margaret Thatcher met Mitterrand a day or two before the veto, and he said nothing about it, I presumed he must have approved it, but Pierre de Boissieu's version is that it was Cheysson⁶⁶ who ordered it and Mitterrand subsequently said this must never happen again. And the record does show the French trying quite quickly to rebuild the Luxembourg Compromise, and I think they had realised that they had shot it below the waterline – and they tried with help from us to reconstruct it, but it never quite succeeded.
- DURIE** What I don't remember was whether it was ever used by anybody afterwards, or whether the failure in 1983 actually killed the Luxembourg Compromise as an instrument. I mean, when I was in Brussels, from time to time, you got member states using what was called 'Luxembourg Compromise language', which was sort of a warning that the Luxembourg Compromise was in the air, but it was never invoked, and I don't think we ever invoked it again. I was in Cabinet Office at the time and I remember the shock that ran throughout Whitehall with that failure; we wrote papers on it, but we never found a formula that we thought was secure in re-establishing it.
- STOW** We were thought to have invoked it on a relatively minor issue, the rights of artists... It was over a lunch, there was junior minister, but all my colleagues who were there thought that she had invoked the Compromise, and then acted accordingly for a while, at least, in the negotiation, that was very undercover.
- LAMBERT** From my time, I'm a bit like Bill. I confess, I wasn't aware of the 1984 failure, or whenever it was, 1982 failure – I wasn't even aware of it. So, when I was there, 2003–08, certainly the impression in Whitehall was that it still existed, but I think it became unworkable because frankly it was only us and the French who knew what it was. And unless the chair knows about it, to use it

⁶⁵ Pierre de Boissieu, French Permanent Representative to the EU, 1993–99, later Secretary-General of the Council of the EU, 2009–11

⁶⁶ Claude Cheysson, French foreign minister, 1981–84

now would be incredibly difficult, because most of the new member states haven't heard of it, don't care, not interested.

I had supper with the current Dep. Perm. Rep. only a few months ago, and they tried to invoke it when they got shafted on Gibraltar, on aviation, about a year ago, and it didn't work. Because the Luxembourg Compromise is just meant to buy you time, but the intense opposition on the Spanish *demarche* on Gibraltar resulted in the whole thing being parked, but not really connected with the Luxembourg Compromise.

- WALL** We did get ministers to agree in the mid-1980s to redefine the Luxembourg Compromise in respect of Gibraltar, on the basis that it would be illegitimate to invoke the Luxembourg Compromise in order to try to undermine the basic treaty rights of a country, including us and Gibraltar.
- LAMBERT** But I mean, on Gibraltar, it did get shafted by the Italians and Spanish about a year ago on the aviation dossier.
- CAHN** In the Agriculture Council, it was not stated that the Luxembourg Compromise would not be invoked, it was stated that this wasn't an appropriate occasion because vital national interests weren't really there, therefore the UK was improperly invoking it. So the fact that, later on, in effect it killed off the Luxembourg Compromise wasn't quite – I mean, I'm sure Émile Noël and others saw it in that way, but many others didn't, it was seen as a temporary thing; this was the UK acting improperly, and therefore they were going to be slapped down.
- POOLEY** This was a failure of presentation here. There were 40 or 50 regulations that made up the package – and rather than, as would have been usual, the president propose the package, which was three or four sheets of paper, no more, and put that to a vote, they took the regulations one by one. So that you could not say that for this minor variation on the conversion ratio for pig meat, that that was a vital national interest of the UK, or indeed of anybody else.
- WALL** The other thing at the time was, of course, that majority voting was very rare. I mean, even in the Agriculture Council where it applied, it wasn't actually used very often.
- JAY** My recollection in the 1980s and 1990s was that, as a result of this, we were very nervous ourselves about formally invoking it, but what we would do was say to others, we would be prepared to invoke it *unless*. And so it still had an effect, but not by being formally invoked, but by the threat of its use. So it wasn't dead, but it was never again invoked in the way that we tried to invoke it, and failed.
- CARY** We certainly commissioned papers from the legal advisers who said that it was not a reliable instrument, and that we should be very cautious indeed.
- WICKS** Doesn't the growing power of the European Council affect the Luxembourg Compromise, because what happens now is that when a member state is really unhappy with something, you would demand that it went to the

European Council? It gains time, undoubtedly that, and underlines the political importance to the member state that they are going to take it to the European Council – so isn't that a sort of a substitute for the Luxembourg Compromise?

- CAHN** Sort of, except it's not certain.
- BRAITHWAITE** I think that's a very important point. The Luxembourg Compromise, as it was formulated, was a formula, but the fact is that time and again member states are saying 'up with this we will not put', and everybody backs off – I mean, look at the Poles these days. So the essence of the Luxembourg Compromise seems to me unavoidable in the European Union. The formula may or may not work in every situation.
- WALL** Quick point: in 1966, British ministers were advised after the Luxembourg Compromise first came into being that it was a political formula. Nonetheless, because Pompidou⁶⁷ made it a condition of British accession – Heath's acceptance of the Luxembourg Compromise – it became thought of by British ministers as a veto. Hence the fact that if you look at the pamphlets issued in the 1975 referendum campaign, they say: 'We will always have a veto where our interests are at stake.' I mean, ministers were wrong, but they believed...
- CAHN** But there was no legal basis, it was merely a political agreement.
- WALL** But they believed that it was watertight.
- CAHN** It wasn't even a political agreement. It was a French statement which others did not contradict – that was what the Luxembourg Compromise was.
- CROWE** Wasn't the key in the 1982 failure of the Luxembourg Compromise that we were accused of vetoing on an issue which was not the real reason? The real reason was quite separate, and that was presumably what the French – when they were trying to rebuild the Compromise – that is what they, in effect, said.
- WALL** They built it in. I mean, it was totally spurious, but they did build it in, yes.
- CAHN** It just shows that we are all policy wonks. I am going to move us on now to the Fontainebleau negotiations. Is it fair to say that it was one of Whitehall's finer moments – as well as one of Margaret Thatcher's finer moments – in the sense that the negotiations were really well done, as well as any other member state would be able to do such a negotiation? You had Robin Renwick and David Williamson going around capitals, doing the spade-work, is that a fair description? Stephen, you have looked at this.
- WALL** I think, yes, I think it is. The work is rigorous, and there are constant papers going up to the prime minister and ingenuity about how it is going to be done. And I think, Charles's point, that she had confidence above all in Williamson and Butler, is helpful, and constant ministerial attention to it. It was never out of ministers' minds: herself, the chancellor and Geoffrey Howe.

⁶⁷ Georges Pompidou, President of France, 1969–74

- CAHN** Let's just take that success as read, and look at the fact that we had a great failure afterwards of having an IGC⁶⁸ imposed upon us – or is that not a fair description, Charles?
- POWELL** Well, having the IGC imposed on us was a failure, but not a very big one. But of course it was overshadowed by a much bigger advantage, which was a huge step forward on the internal market, which stemmed largely from the work done during and around the IGC. There was a bit of a loss of temper about the calling of an IGC, a fast one pulled by the Italians, is my recollection – Stephen, you'd know better than me. And there was this wretched business where you guys had produced a very good paper on political cooperation for the Milan Council,⁶⁹ and Margaret Thatcher rather proudly, but mistakenly, showed it to the Germans and the French, who promptly took it over and circulated it as their paper before we had gotten round to circulating it as ours. That caused a bit of apoplexy.
- But after Fontainebleau, and then with the Single Market becoming the focus of the Community, it was actually a rather good period, at least in Margaret Thatcher's eyes, for Britain and Europe. She felt that two of her main objectives were on the way to being achieved and did not sufficiently appreciate what they would lead onto, or what the second one would lead onto; the fact that once you had done the Single Market, the single currency was then going to come, be the next one along the line.
- WALL** I think it was a failure. I mean, nobody at the Foreign Office, nobody in UKREP, nobody at the Cabinet Office as far as I am aware, ever said to ministers that under the treaties, a procedural decision as to calling an IGC is a procedural decision that could be taken by a simple majority. We simply failed to spot it – but it was a very smart move by Craxi,⁷⁰ presumably advised by the Commission, I would guess. It was a very neat trick, and we should have seen it.
- JAY** I don't know whether you want to go onto the negotiations of the Single Market – Charles will remember this – but my recollection is that because of her fury about what had happened, when the IGC started, the instructions initially were not to take any formal part in the negotiations at the IGC. So David Williamson and Michael Butler's policy was not to say anything in formal meetings, which had the rather fortunate consequence that other people had to come out and say the sorts of things that we probably would have said, had we been able to do so. So we were driving things rather from behind the scenes without making any formal interventions until quite late in the day, I seem to remember. I don't know whether Charles remembers that.

⁶⁸ IGC – Intergovernmental Conference

⁶⁹ European Council, Milan, 28–29 June 1985

⁷⁰ Benedetto Craxi, Prime Minister of Italy, 1983–87

- POWELL** I'm afraid I can't remember that very clearly. There was some other body set up under the IGC, which David Williamson did sit on, that came up with things like flags, the European flag, and the anthem...
- WALL** Yes, before that, there was the Dooge Committee⁷¹ which preceded the call for the IGC, and then there was the Committee on the Citizen's Europe, which Williamson was on. I think it was Williamson and Hannay, but Michael's recollection is correct. They were told by Margaret Thatcher that they could take part, but they were to say that they didn't know what their position would be. And we did indeed, I remember it was acutely difficult for everybody in Whitehall, the idea that we wouldn't have a position and put it forward. This is unknown in Whitehall: it was a sort of real stress, but we did it for a number of weeks at least, and it did force the Germans and the French to reveal that actually they didn't want nearly as much as otherwise they were claiming that they did want.
- JAY** I had forgotten that Margaret Thatcher had said that we weren't going to have a position, but my recollection was that there was a position, but that it was expressed rather *sotto voce*, and that it became in due course the position which was then later expressed openly.
- CAHN** In parenthesis, can I just ask a question? One of the things I quite often heard from officials from other member states was that the unusual thing about the United Kingdom bureaucracy was that, whoever you spoke to, they generally said the same thing. In other words, we were better coordinated than other member states – and better disciplined, too, than most member states. And that we led with our chin: we tended to go in and say things when others would hold back.
- How did we compare to other member states, managing negotiating with Brussels, in terms of coordination, in terms of being well-prepared, in terms of being far-seeing, in terms of playing the game, in terms of long-term relationships?
- MALLABY** Well, in Bonn there was coalition, as usual, and there was rivalry between the two parties in the coalition, or between the two-and-a-half with the CSU,⁷² and coordination therefore was extremely difficult and often just not attempted. I've had, several times, the experience of receiving an instruction, well-coordinated in London, about a British position, and then trying to talk to two or three departments in the German government and finding that they had not talked to each other. So, one of the refrains at the morning meetings at the Bonn embassy was, 'We'd better introduce the Ministry of That to the Ministry of This, and get them to talk to each other.' Then we could sometimes report a clearer German view
- BRAITHWAITE** I think the other thing was that we always overestimated the ability of other governments to coordinate. So one of the problems was – and it was true of

⁷¹ Committee led by the James Dooge, Irish senator and former foreign minister, 1980–82

⁷² CSU – Christian Social Union

the Embassy in Washington too – you would talk to somebody, and they would say this was American or German policy, and then you would discover that of course there was no policy yet; and I think that if you want to make comparisons, I'm not sure about playing the game, but otherwise the only ones who were equal to us were the French. They weren't better than us, that's a myth, but they were very good, and perhaps the Dutch.

POOLEY I was just going to mention the Dutch. Certainly from what was said earlier, this rings a bell from my days in weekly negotiations over agriculture, that the Germans were terribly badly coordinated. Fighting would break out in the... you've seen that, haven't you?

CAHN Yes, I remember.

POOLEY They often had to obscure the fact that they were not in a position to say anything at all, which they usually did by saying that the proposal is a lot of nonsense and we are not going to be able to do anything. The Danes were always in difficulty because they had a parliamentary committee always looking over their shoulder: they explained it to me once that the parliamentary committee was not a well-coordinated or united committee – so it was a double whammy as it were, in terms of the lack of coordination.

The Belgians, strangely enough, who were always in coalition were, on the whole, rather good at this. But it is true, as you said, that one of the things that was admired about the British government machine was the wonderful coordination, and the way in which decisions were taken quickly and everyone said the same thing.

HOLMES I think it is true that we always had – and I think it is still true, that we have – the best-coordinated position, much more than other people; and we have always been seen – as Charles was saying earlier about Margaret Thatcher in European Councils, and the same was true of John Major and Tony Blair – they were the best-prepared, they knew the most, they had done the most homework before they went in, so that was always helpful.

In a way, we had to do that because we were always defending, or pretty often defending, difficult positions in European terms, and we probably appeared more short-term because very often other people were more relaxed about the whole direction in which it was going, and we were not relaxed about the whole direction in which things were going. So we always had to fight every battle, which is where you get your leading with your chin. The disadvantage of being so well coordinated was that we were much less agile than others, so turning the super-tanker round was extremely difficult.

The French were extremely well-organised, but not well coordinated in that kind of way; it was done with far fewer people. So they could turn their policy on a sixpence, overnight, because some bright spark in some *cabinet* had had some idea and had persuaded the president, in a way that was completely impossible in a British sense. So very often we lost out through almost being too well organised, in a way that for example the French, who were our main competitors, weren't.

STOW

Similar stories, I suppose. In the early days of the internal market Council, you would have ten or 20 pieces of legislation being voted on in one meeting, which is a colossal amount of legislation. And the Germans would be voting against at least half of those, because they were completely uncoordinated, and the economics minister would come along and say to his colleagues, 'Just vote me down.' Even on something like machine tools, which is one I remember, the Germans had 60% of the European market, but they had an impossible position because the Labour ministry were the lead ministry. And they got so many reservations on the table by the time they came to Council that the presidency, the Greeks, just voted them down and were almost invited to do so. And then when I was Deputy Perm. Rep., it hadn't changed at all ten years later. I just found that really impossible.

Picking up John's point, I think I always admired the French because I thought they always did have a position, but they didn't feel the need always to reveal it, so they were able to be much more subtle and duck and weave in negotiation. We always – and you saw this at every level, certainly at DTI – that we needed to say very early on what was the British position, and that was partly driven by parliamentary scrutiny, actually, because we had to say something in Parliament in the very early stages of negotiation and anything controversial in the media pouncing on it, what do ministers think; and Parliament scrutinises more than most other parliaments, so there were lots of pressures to force us to reveal earlier.

WALL

I think that the other side of the coin from what John was talking about is that we find it hard to distinguish between – having got the positions on everything – what is really important and what is less important, and that makes it more difficult to do trade-offs. I mean, when I was ambassador to Portugal, we got instructions to lobby on almost every piece of EU legislation, and Dominick Chilcott or Alex Ellis⁷³ would go in and the Portuguese would say, 'That's very interesting, we hadn't actually heard of that Directive, thanks for bringing it up. And now that you've told us about it, we'll almost certainly vote the opposite way to you guys.' [laughter]

CROWE

Well, despite what has been said by John and by Bill, I personally – in my more limited experience than all of you, but nonetheless – found the efficiency of our system in Brussels of coordinating the instructions and issuing the instructions and the way UKREP both fed into that, in the name of the Permanent Representative, and then responded, a very great strength – because at least everyone knew where we stood, which is not unimportant.

I remember going to a meeting in which the German position changed. The guy from Bonn had to go back, he had to catch the last train home, leaving the representation in charge, the German permanent representation, and the German position changed completely, almost a *volte-face*. And the advantage is, so you don't know where the Germans stand, but it also gives you openings to go and exploit the German divisions by instructing the embassy in Bonn to go and work on the weak points.

⁷³ Dominick Chilcott and Alex Ellis, FCO officials serving in the British Embassy in Portugal under Wall

- CAHN** I can recall we had an agricultural attachés' group, and being frustrated by the fact that my colleagues seemed not to be constrained by their instructions. I had a Dutch colleague, called Vijverberg,⁷⁴ who used to waft into the meeting and waft out of the meeting, and take a view, and then he'd come back about three hours later and take a different view and he seemed to be completely out of control. Or fisheries negotiations where my Irish colleague made it up as he went along. The Italians perhaps, *a fortiori*, there were a few brilliant Italian officials – lots of poor ones, but a few brilliant ones – but they ran the policy entirely themselves. And I remember the constant sense of frustration that my colleagues could create their own instructions and I couldn't, but whether they got better results – occasionally they did, but often they didn't.
- CARY** There was a famous intervention by Pierre de Boissieu in COREPER, in which he said: 'Je n'ai pas d'instructions. Je n'ai pas eu le temps de les écrire.'⁷⁵
[laughter]
- WICKS** Two points. One is a question to Charles related to the Single Market discussions: Arthur Cockfield, who was a great friend of the prime minister. I always wonder how much influence Arthur Cockfield had in discussing with her the negotiations, because he was the commissioner, I think, in those negotiations.
- Second point, on the French – yes I agree with what colleagues have said, they were the best coordinated, with one exception, and that was the president. I had a French colleague who said it was very important to get a colleague from the Trésor,⁷⁶ preferably himself, on the president's plane, on the way to European summits because the French line was often changed, even though it had been agreed by an inter-ministerial committee, and you really had to have someone there among the president's *cabinet*.
- CAHN** It sounds like Tony Blair and Gordon Brown.
- WICKS** And the other thing about the Single European Act, which came to haunt us. There was something in the preamble that referred to the Community having a vocation for a single currency: that caused us immense problems later on. I did not read the Messina Resolution⁷⁷ until the 1990s, and I had been involved in European negotiations for quite a long time, and I didn't realise that really if you read the Messina Resolution a lot of the stuff that subsequently happened was set out there. I can recall too being told by a colleague, a Foreign Office colleague, 'Oh, don't worry about this awkward reference in the preamble, it is just guff, they are always saying things like that.' Yes. They were always saying things like that, but unfortunately they *meant* them. And I am not sure we realised in Whitehall that a lot of what we thought was guff and hot air in

⁷⁴ H.A.L. Vijverberg, Dutch Deputy Permanent Representative to the European Union in the mid-1980s

⁷⁵ 'I don't have any instructions. I haven't had the time to write them.'

⁷⁶ Trésor Public – the French Treasury

⁷⁷ Resolution of the 1955 Messina Conference, which led to the creation of the European Economic Community in 1958

European rhetoric, actually many of the mainland European governments meant.

JAY I think I would agree on that, but on the single currency reference in the Single European Act, my recollection is that that was put forward almost at the last minute, almost inserted into the preamble, and the discussion was do we – having got so far – do we just accept it, or do we risk reopening the whole thing by trying to get it out? And we decided that we should just leave it in.

Can I just say one other thing, this question of instructions: I think it was a huge strength that we did speak, were able to speak, with one clearly agreed policy and everybody else in Whitehall knew what it was. The disadvantage – and Stephen may have examples of this that I can't remember – was that there were times when a policy or a position had been agreed with some difficulty, even with the Treasury say, but that when it was necessary to have some inflection in that policy in order to get agreement within the EU, it was difficult to do so because of the difficulty with which our original position had been reached in Whitehall. So, whereas other member states could make a small change and explain it, that was harder for us.

POWELL Well, just to take up a couple of points, maybe the ones that Nigel raised. First of all, Arthur Cockfield: it was very clear why Margaret Thatcher appointed him, she summed it up very pithily herself. She said the thing about Arthur is that he cannot pass a row of pigeon holes without wanting to fill every one of them. [*laughter*] Which was ideal for Brussels – it shows her ability to understand these things. But they fell out of love pretty rapidly, as she thought he went native remarkably quickly after having arrived in Brussels, and she discounted his advice, I am afraid.

CAHN I was in his Cabinet and I don't think that was true, apart from tax harmonisation where he did go native, but on the other things he didn't – but she felt that he did.

POWELL Nigel, you are absolutely right on EMU⁷⁸ and the Single European Act. Quite late in the day there was a heading introduced to the Single European Act on 'Economic and Monetary Union: Economic and Monetary Cooperation', which went back to a document which Stephen, I am sure, will remember from the 1970s.

WICKS 1972.

POWELL 1972, yes – and she interpreted it as just reiterating some old stuff: 'We needn't worry too much about that. We have to get what we want out of the Single Market and for that we have to agree to some things.' What was interesting, of course, is that it subsequently became the favourite subject of the extremer Eurosceptics, who said it was evidence of how Margaret Thatcher was misled by wily officials, and she would never have signed up to the Single Market or anything else, had she realised the true, intrinsic importance of the things that the other member states were doing. Complete

⁷⁸ EMU – European Monetary Union

and utter rubbish. She knew exactly what she was doing during the negotiations for the Single European Act. She knew that she was giving away some points in order to win others – particularly when it came to qualified majority voting. She was in full possession of her senses at the time.

- POOLEY** On the currency, I must look up Messina again, but my impression in the early 1960s when Marjolin⁷⁹ was the Commissioner for France and for Finance was that, of course, getting currencies together was envisaged from the very early days; but what Marjolin proposed was, and informally, not a single currency but a common currency. You can see the difference there? His idea was that you needed a currency for intra-community transactions, things like the budget and so on, which really is a sort of ECU he was proposing, rather than a single currency. There would be a common currency that existed for official purposes alongside the Franc and the Deutschmark.
- CAHN** A unit of account.
- POOLEY** Yes, exactly. I think that was the case.
- DURIE** Not on the single currency, but on some of the negotiating positions generally, certainly it was the case – and I am sure still is – that the British were better coordinated, but there are a number of other issues too which are important. Just to divert slightly on the French and the Germans: under the Single European Act, most decisions affecting the Single Market were taken by qualified majority, so the key to any negotiation was to establish whether you were in a minority and, if so, whether there was a blocking minority, i.e. whether there were enough negative votes and that that negative vote was secure. If it was, this could hugely strengthen the negotiating position.
- It was always a worry to me, and I am sure it was to my successors, that if in one of these negotiations the Germans were on our side – if they had a position, which they sometimes did, and the French were against, and if German support made the difference between the blocking minority and not – I always felt that that blocking minority was insecure, because sooner or later, if it really mattered to the French, they would put the screws on the Germans, and the Germans would change their position. So it was a constant worry on blocking minority, which side the French were on.
- STOW** It didn't work the other way around. If the French were on your side you could pretty well guarantee...
- DURIE** If the French were with you, you were fine. But if the Germans were with you and the French were against, you were in trouble.
- CAHN** And how much did you attribute that to the civil servants and how much to the politicians, that the French were quite so effective?
- DURIE** I don't know enough about workings of their government, but all I can say is that my observation is that it happened. The other thing I think worth

⁷⁹ Robert Marjolin, European Commissioner for Economic and Financial Affairs, 1958–67

mentioning, is that both my predecessors, of whom there were only three, Bob Goldsmith, Bill Nicoll and David Elliott— had established the process, which the Permanent Representative also had, of getting the minister out the night before and having a dinner to go over what was going to happen the next day. Because, picking up Stephen's point about priorities, very often ministers would come out saying, 'I've got these five points which I've got to have.' I would always say to them, 'Look, put them in an order of priority, see which ones you cannot go home without securing, and then we've got the basis for a negotiation. You can go see the Dutch, or the French, or whoever it is, and trade off something that really matters to you for something that doesn't matter to them' – and this habit of going over the agenda the night before put our ministers in a hugely stronger position. And that was destroyed by the Eurostar.

LAMBERT Yes, it was. *[laughter]*

DURIE It was the end of my time in Brussels when the Eurostar came in, and ministers by and large stopped coming out the night before; and the degree to which the meeting could be planned didn't disappear, but it fell.

LAMBERT You're absolutely right, David. During the presidency they would come the night before because they realised they had to plan how they were going to chair the meeting, but for the last three years no, I don't think they ever came out the night before. We used to have an early morning meeting to plan how it was going to go. Just on the Franco-German thing, I think my greatest achievement, in the eyes of some, of my time as Deputy Perm. Rep. was blocking Working Time for four-and-a-half years and they were on opposite sides there – but we did have to spend an awful lot of time on other elaborate deals to shore up the German position on that.

MALLABY Yes, I would like to comment on that bilateral relationship. It goes back to very, very deep sentiment and history. It goes back to de Gaulle, and it goes back beyond de Gaulle to 1940 and the smashing of France. After the war, de Gaulle wanted therefore to try a new way of containing Germany, having failed with military arrangements. His new idea was the Common Market combined with the Élysée Treaty. The calculation was that, while Germany was still down, still smarting from defeat, shame and humiliation, the ability of France to influence Germany and establish a habit of influence was going to be at its maximum. That was brilliantly achieved, and the resulting partnership went on all the way through the period we are now discussing. There were moments when the French had a view and the Germans had a different view, and the likelihood was always that Germany would give in because the German psychology in this relationship was shame about the middle of the twentieth century, and the French conviction was we have to be able – and we still are able – to get Germany to agree with us, as part of a policy of containing Germany in a broad historical way. The Germans went along with that because of the past, and the French went on with it because it worked.

HOLMES It has changed now, but that was still very much the psychology until quite late on.

Just on the point of what Stephen said about the difficulty for us in making the trade-offs, because having a position on every subject was firmly established in some governmental way – and that worked very well, by and large, but it did have some disadvantages.

Other people did it in a completely different way. I remember – you may remember this, Andrew – Aznar,⁸⁰ the Spanish prime minister at the time when I was in Number 10, didn't care about most things on the agenda usually at a European Council, but he knew what he wanted – and he would just sit there until he got what he wanted on that particular issue, and just sit there smoking a cigar until 3 o'clock in the morning until he got it, basically. And that was very effective on a very narrow front, but he could discard all sorts of other stuff because he probably thought, well, most of it doesn't matter that much and is probably going in just about the right direction for our interests, so we'll just focus on...

CAHN The Whitehall machine created a mentality where everything mattered. Was that, in retrospect, a sort of a mistake?

HOLMES No, by and large it is good, but it does have its disadvantages.

BRAITHWAITE First of all, on that last point, one of the things that we did was insist that instructions coming up from London by telegram should have a first paragraph saying what the objective was, why they were going into the meeting. Which sometimes threw people, because they had written the instructions without working out what that point was, and we got one which said 'to hear what the Commission has to say' as its objective.

But on the question you posed about the German position, I think it went right down – for the reasons Christopher said, and it wasn't only the politicians – it went right down into the bureaucracy, and you would come across it in your dealings with bureaucrats. I mean, Bitterlich⁸¹ was a sort of supreme example of that, deeply rooted in his personal experience of the French relationship.

But the other question on this business of alliance-building: that was one of our strengths, with people like Michael Butler and Renwick and others. Before any important meeting they would tour Europe and build alliances, and that was crucial to getting our way as much as we did.

A question: does that happen at all now? Systematic alliance-building being done by officials?

CAHN Yes, what David Lidington,⁸² Europe minister, has been doing non-stop. David Cameron's just been doing a tour of Europe, I think.

BRAITHWAITE I was talking about officials.

⁸⁰ José María Alfredo Aznar López, Prime Minister of Spain, 1996–2004

⁸¹ Joachim Bitterlich, head of foreign, development and security policy under Helmut Kohl, 1993–98; German Ambassador to Spain, 1999–2002

⁸² David Lidington, Minister of State (FCO), 2010–16

- WALL** I think that's also the exception rather than the rule.
- JAY** Stephen and I travelled to every member state together at official level, seeing officials.
- CAHN** I remember Paul Lever and I did a tour of Europe post-BSE, trying to...
- BRAITHWAITE** But does that still happen?
- WALL** I think the coordination thing does create a kind of machismo effect for ministers. It is difficult for a minister, unless he is a strong minister, to turn around and say, 'Well, I don't agree with this.' And similarly, when I was working for Tony Blair, I used to go to meetings of the Europe Committee, and I would say to Tony Blair, 'Look, ministers at that meeting, they are saying exactly the same thing as their Tory predecessors were saying, they are probably reading from identical briefs from the ones their Tory predecessors were using', and Tony Blair used to say, 'Well, what do you expect, you know, basically the ministers are a reflection of press and public opinion' – but that's not how it should be, and I think in some ways we did make it harder for them.
- WICKS** Just one point: I agree generally with what Christopher said about the Germans, but I recall two elements where they could be very tough. One was anything involving the interests of the Bundesbank, where they would dig in their heels. The government had to dig in its heels because on matters relating to the Mark as the German currency, the Bundesbank could say no and the Finance Ministry would have to agree for both political and legal reasons.
- The other area where the Germans would be tough was on matters that involved the German constitution. Sometimes things came up which involved the German constitution – that usually seemed to impress people when German officials said a particular matter would involve the German constitution and it would involve the Ministry of the Interior, which seemed to be very, very powerful. I never met anyone from the Ministry of the Interior, but it was a sort of dangled over you, 'Well, we've got to get the Ministry of the Interior involved with this matter because it involves inter-*Länder* arrangements and please do not press the matter.' I think even the French listened to that.
- BRAITHWAITE** The Americans do that – the Americans use exactly the same thing.
- WICKS** They do, they did. We were always rather impressed when the Americans said that.
- STOW** I must say, I didn't really feel when I was Deputy Perm. Rep. that on most things I had inflexible positions. I think that's partly because the instructions were usually, except on really neuralgic issues, they were written in UKREP and with discussion with the home department, with the home department able to see our brief – and I was given very strong steer on the overall objectives which I was expected to achieve, but not so much about the means of doing so. And when it comes down to it – negotiation today – you are

largely talking about means, about language and so on. So I never really felt that I was being terribly constrained.

I think where it did come in, but quite deliberately, was at ministerial level, with an area like environment. When Michael Meacher⁸³ was the minister for most of my time in UKREP, he always was given very, very strict instructions, because otherwise he would just be swept along with the enthusiasm of the Environment Council, most of whom were Green Party ministers. And he hated being, I always used to describe it, 'never being knowingly 'out-greened'. [*laughter*] He really hated that and I would say to him, 'You can't say that, you've got instructions that prevent you from saying that', and his officials were always surprised that he would listen to me, because he felt that I somehow had got some experience or a line straight to the prime minister – he wouldn't listen to them, and in those cases it was quite important to have some instructions to wave.

- CAHN** Just before we do stop, I just want to deal with the ERM⁸⁴ and the run-up to the single currency negotiations and the Bruges speech, whilst Charles is still here.
- CROWE** Could I just add a little snippet to what Bill has just said? It has just reminded me, and it may not be totally insignificant, that it was not unknown for UKREP to rewrite briefs that came over for the Council meetings written in the departments...
- LAMBERT** Every time! [*laughter*]
- CROWE** And I am sure that it was done a lot, including by people in this room, so that the instructions which a department was given in the briefs to the ministers were typically rewritten a number of times.
- CAHN** When you were in a Cabinet, no brief ever came from the DG [Director-General] which wasn't rewritten by a Cabinet member. Can we for 15 minutes, just focus on the ERM and the lead-up to the single currency agreement? Do we see that as a huge success for British negotiating, in the sense that we got an opt-out which might not have been predicted, or was it something of a failure, in the sense that we didn't predict properly what was going to happen, we didn't understand the drive behind it, we allowed the Union to drive forward in a direction which has bedevilled us ever since?
- Charles, do you want to kick off?
- POWELL** Well, very briefly, the discussions on ERM were where it all started to fall apart. Basically, our European policy had a broad ministerial consensus within government behind it. There were bits here and there – Schengen, for instance, was not a consensus; Geoffrey [Howe] wanted to join and Margaret Thatcher didn't – but basically there was consensus. The ERM was a deeply divisive issue running right through the 1980s – one forgets how far it went

⁸³ Michael Meacher, Minister of State for the Environment, 1997–2003

⁸⁴ ERM – European Exchange Rate Mechanism

back – with some of the most bad-tempered meetings in the Cabinet room I think I ever witnessed in quite a number of years there, including once Sir Geoffrey leaving the room and slamming the door, which in his terms was equivalent to using a nuclear weapon [*laughter*], so it was terrifying.

But that breach could never really be reconciled. It encompasses the period leading up to the Madrid European Union council, preceded by Geoffrey Howe and Nigel Lawson⁸⁵ trying to force Margaret Thatcher to set a date for when we would join the ERM. We had this absurd incident where we flew to Madrid, travelling in two separate parts of the aircraft, with communication between Margaret Thatcher, me and Bernard Ingham, and Geoffrey Howe and – I can't remember whether it was you, Stephen?

WALL Yes it was, it was.

POWELL It was. All completely forbidden.

WALL Every time the curtain parted, Crawfie⁸⁶ came and closed it again very firmly. [*laughter*]

POWELL When we got to Madrid, Margaret Thatcher seized me and Bernard and marched us off in one direction, and said we weren't to talk to the others; that I was to sit down and write out, rewrite the statement she was due to deliver to the Council the next day. Various times in the evening, a timid knock at the door, John Kerr⁸⁷ or possibly Stephen, who I had to repulse at the borders, I'm afraid. It just, from then on, the notion that we had a broad ministerial consensus on Europe really fell apart, and was never healed. It led over time to the resignations of Nigel Lawson and Geoffrey Howe, and the ill-fated attempt to go into the ERM under John Major and Douglas Hurd, where she felt by then that she couldn't lose two chancellors and two foreign secretaries on this issue, but of course we had to come out again. I mean, you could say that it had a happy ending in the sense that, of course, later we got the opt-out, and we are still not in the single currency – which is unreservedly good news as far as I am concerned (and as far as most people are concerned).

For me there's a great dividing line for looking at the period from 1979. Up until 1987, perhaps even 1988, it was manageable getting a consensus behind policy on Europe; after that it just wasn't and there was disagreement on almost everything, even things where there didn't really need to be disagreement. Now, of course it was to some extent inflamed by the Bruges speech, and that was never quite the deliberate act that it is sometimes claimed to be. The College of Europe had been inviting Margaret Thatcher to speak for years and the Foreign Office would religiously write to me and say, 'You know, she really ought to do this', and the foreign secretary would say, 'She really ought to do this, and even Queen Juliana of the Netherlands has done it' – quite why that was relevant, I never quite understood. [*laughter*]

⁸⁵ Nigel Lawson, Chancellor of the Exchequer, 1983-1989

⁸⁶ Cynthia Crawford, Margaret Thatcher's personal assistant

⁸⁷ John Kerr, Baron Kerr of Kinlochard, Principal Private Secretary to Nigel Lawson, 1981-84; Assistant Under-Secretary FCO, 1987-1990; UK Permanent Representative to the EU, 1990-95

Finally in a moment of weakness I said, ‘All right, I’m sure she’ll do it.’ And that would probably have been that and there would have been a nice, intelligent Foreign Office draft, which would have had a lot of tinkering and going through, and it would have been an unremarkable event.

But events sometimes play tricks on you, and that late summer there had been some ghastly IRA incident which had brought her back from holiday – as you know, she hated holidays, so any excuse to come back was wonderful – and that, as usual, mucked up my holiday too. And looking around for something to do, having dealt with the IRA problem, the only thing I could find was a speech to be delivered to the College of Europe in Bruges, and she said, ‘Oh, that sounds interesting, what are we going to say?’ And this led to an unusual amount of attention and focus on what would be said at Bruges, providing her with a platform for setting out, for the first time really, her view, even her vision, of what Europe should be like. And actually, if you read it, it’s still a very sensible vision in many ways despite its explosive effect at the time. It was mis-sold, mis-sold, I think, by Bernard [Ingham] as a great attack on Europe, and it was not intended to be a great attack on Europe – rather, the opposite. It was intended to set out a different perspective, something which would probably have been more beneficial if it had come a year or two earlier. If it had been delivered two years earlier it might have had more of an effect on the future direction of Europe; but nonetheless, coming on top of the divisions, above all in the run-up to ERM, it helped shatter the government consensus from then on.

WALL I’m very proud of the Bruges speech, because I wrote the first draft, and if you look at the final version there are several ‘ands’ and ‘thes’ which survived from my original draft. [*laughter*]

POWELL I’m sure you’re right. The only other person who has said with similar assurance that he wrote the Bruges speech, was John Kerr.

WALL Charles wrote it.

POWELL I did, but it doesn’t stop a number of other people writing it.

CAHN Can I turn to Nigel, and indeed others, and ask: did Whitehall fail to really identify the dangers that the Delors⁸⁸ Committee posed, and in allowing him to create the intellectual framework for something which then got driven through? In other words, Charles has set out that there was this great political divide, but the sense of what I hear you saying is that actually the UK made a grand strategic mistake in not having an alternative vision which might have changed the direction of the European Union?

POWELL It was partly that she was led astray by Helmut Kohl, because in the margins of the Hanover European Council – when was that? I can’t remember, 1987–88 – anyway, he said to her, ‘Look, don’t worry too much about all this, we can give it to the Central Bank governors, they can go away and claim it, and it

⁸⁸ Jacques Delors, President of the European Commission, 1985–95

won't come back in any threatening form – just don't worry about it.' And because she wanted to believe that, she did believe that, and was correspondingly wounded when Delors seized control of the operation, virtually appointed himself chairman of it, and I don't recall there was very much consultation with the governments. So, yes, you're right – it was a mistake, it was a misjudgement of the process, but that I think is what it stemmed from.

WICKS

Yes, I largely agree with that, but I come to a point I made earlier on: we shouldn't, in retrospect, have been surprised because we had seen that the Messina Resolution directly said coordination of monetary policies. We saw at the beginning of the 1970s, the late 1960s, the Werner Report,⁸⁹ which was about EMU, and at the time Mr Heath was very keen on that; and I remember writing briefs that were total rubbish extolling it, but he was very keen on it. The ERM, EMS was regarded as a step towards monetary union. You go back to the preambular reference in the Single European Act, which referred to a 1972 discussion of the European Council at which, although we weren't members of the European Union at the time, Mr Heath was present and signed up to its conclusions. So it was all there, if we'd only really appreciated the historical context. Charles will correct my memory here, but when the prime minister went away to the European Council there was a proposal for a study group on EMU, made up of 'wise men', which was a very bad idea, and then another proposal came up – you said it was Chancellor Kohl's – that the Central Bank governors should sit on the group, though there was no reference at the Council about who should be chairman. I think the prime minister put pretty much put faith in the Bundesbank; Karl Otto Pöhl,⁹⁰ I think, was the chairman and president. And she, I think quite reasonably, thought that he would be very sticky about giving up the Deutschmark.

POWELL

She had reason to – he used to come and see her, and said as much.

WICKS

He did – they were bosom pals and got on very well. But President Delors was made chairman of the group. It wasn't given the remit *whether* the Community should move to a single currency; the remit was the practical one *how* the Community should move to a single currency. Everything after that is history. Of course, because the move to a single currency required treaty change, and because treaty change required amendment, it would have been possible for the UK to block the treaty change and with it, the move to a single currency. But there was a view among officials, which I shared, that if we said 'no', the other member states would find another way to move to a single currency: for example, by working outside the formal EU framework, Community framework, as member states did not too long ago on the matter of the fiscal rules.

So the decision of officials – there was quite a lot of interdepartmental coordination there, and by ministers – was, 'Well, okay, if they want to do it, let

⁸⁹ Pierre Werner, Prime Minister of Luxembourg, 1959–74, 1979–84; Werner chaired a working group on Economic and Monetary Union, reporting in 1970

⁹⁰ Karl Otto Pöhl, President of the Bundesbank and Chairman of the Central Bank Council, 1980–91

them do it – but we must have an opt-out.’ We made that absolutely clear: we would cooperate, we would provide technical advice, but we must have a copper-bottomed opt-out. We got that copper-bottomed opt-out which, despite the attacks by some Eurosceptic lawyers, has survived due to good drafting by the Treasury lawyers.

A quick point on the UK’s joining the ERM: I was always surprised that the prime minister agreed to it in the end, because I had known when I worked for her that she was pretty much opposed to it, but John Major did manage to persuade her. My recollection is that the dominant reasons that the Treasury were in favour of ERM were not primarily to do with Europe. The Treasury thought that ERM membership was a way of getting interest rates down in due course. But on the day we joined the mechanism, there was an announcement – which in my view was very foolish – of a reduction in interest rates. Membership was also seen as a way – and here I think it was successful – of reducing inflation. Hitherto, it had proved difficult to reduce inflation to below 4, 5, 6% and sustain the reduction. We could not get it down to the ones, twos, 3%, which we thought was the right target. The judgement was that membership of a hard currency alignment would get inflation down, which eventually it did – and everyone knows what happened. I agree with Charles: politics hasn’t been the same since September 16th, 1992.

- POWELL** Her perception of that, just to finish that point – and I think she was right, because I was present – was that John Major indicated obliquely that he and Douglas [Hurd] would not be able to stay if she didn’t join the ERM at that time, and she, as I said in my own remarks, she didn’t feel she could lose two chancellors and two foreign secretaries.
- WICKS** Did they say that, Charles, for European reasons?
- POWELL** No, they said it really to try to get a hold on her. And in her perspective, she came out of the deal with something, which was lower interest rates, which she had been demanding, but John Major had been resisting.
- WICKS** Yes, well, I have to say, it’s a pity she did demand a reduction in interest rates, because we gave the message to the markets that we really didn’t have the stomach for a fight by raising interest rates if the currency peg ever came under downward pressure. The financial markets drew the conclusion: ‘Oh, they will not raise interest rates because of politics.’ That was a pity.
- WALL** First of all, I mean, the 1972 commitment to Economic and Monetary Union by 1980 was formally reaffirmed by Harold Wilson during the renegotiation, much to the dismay of the opponents within Cabinet. Secondly, the day after the Bruges speech, Margaret Thatcher gave a press briefing – I think it was the day after – and she was asked about Economic and Monetary Union, and she said something along the lines of – and I think she probably had in her mind the political cooperation document that the French and Germans took from us and turned into something they called a treaty on political union, which it wasn’t – she said: ‘They’ll do something that they will call economic and

monetary union, but it won't actually be that.' So I think she probably at that stage underestimated it.

There was formal advice from the law officers which basically said if we don't, if we try and veto, our partners are able to make a treaty outside of the European Community framework – which is why I think John Major as chancellor accepted that advice. Margaret Thatcher didn't accept it; whether she would have done, had she stayed as Prime Minister, is an open question, and Nigel [Wicks] is the man who should take credit for the negotiation for the opt-out.

But as I recall, as important in everybody's mind, in John Major's mind as prime minister, was not that he wanted to join the single currency – he didn't – but everybody's view was coloured by what had happened in the 1950s, and we were thinking to ourselves: if at some point this becomes necessary for us in our national interest, we don't want to find a situation in which we have to jump across a hurdle; we want to have a level playing field in which we could join. As for 'did we foresee what would happen?' No. I mean, Margaret Thatcher did in a sense. She's on the record as saying that a single currency can only work if you have fiscal transfers from rich to poor, and you can only have fiscal transfers from rich to poor in a political union, and that to her was unacceptable. From UKREP, I mean we did a paper in 1999, when the single currency was about to come into force, saying – and we were wrong in this – that we thought those who joined the single currency would very quickly be coordinating their policy across the board of all European policies, and that that excluded us. So if anything, we thought it was going to be much more successful than it actually turned out to be.

BRAITHWAITE

On that, Stephen, there was a paper written – it was almost the last thing I was involved in – in 1993 in the Cabinet Office. After Maastricht, ministers said: 'Now, will officials please write down why we are in this bloody Community?', as they did every now and again. We produced a strategy paper, and there was a debate exactly on that and the view that was expressed by officials, on the whole, was the one you have just enunciated; that they will make it work and that we will be excluded from a whole raft of business as a result, and we can't afford that. And when I pointed out that it might not work – I mean, suppose the *Mezzogiorno*⁹¹ blew up, the Italians wouldn't not pour money into the south just because there was some rule to do with the single currency – that was swept aside. And what's happened is actually roughly speaking that – except it was the Greeks and not the Italians – and it's holding together, maybe it will hold together and be a good thing, but I don't think that British officials at that time realised what the risks of the single currency would be; they thought that the Messina problem, that if we don't somehow sign up, we will be permanently excluded.

[BREAK]

⁹¹ Mezzogiorno – the South of Italy

- CAHN** I thought that we would start now with John Major arriving, and move onto Maastricht. Just before we do, Christopher wanted to cover the moment when Mitterrand got something big out of German reunification and the United Kingdom didn't.
- Christopher, do you want to say something about that?
- MALLABY** Mitterrand greatly disliked the prospect of German unification, because that would make a partner, whom the French feared from history, stronger than France in the EU and the world. But he was clever enough to say hardly a word about this in public. He decided to get something important from Kohl in return from accepting German unity. What he chose to go for was a definitive German commitment to the single currency. This was an additional way of binding Germany to the EU and to France. It was also presented in France as a French gain in another way: instead of the Franc slavishly following the Deutschmark, France in future would have a voice in the management of the new single currency. So it was a good piece of lateral thinking: he doesn't like unification, he's got to accept it, therefore he thinks of the biggest price possible. I did a big think myself, earlier than that, about what the UK could get if we decided to acquiesce in German unification, which on the whole British ministers I think wanted to do, but the prime minister certainly did not want to do. Unfortunately, there wasn't any big thing that we wanted from the Germans at that moment, anything which would have been comparable in importance with unification. So for me, it's a memory of the reptilian brilliance of President Mitterrand. *[laughter]*
- CAHN** On which note, perhaps we can now look at John Major arriving as prime minister. Stephen, can I turn to you and ask: did this change Whitehall? Did this change the way Whitehall officials operated, the way they thought about European matters, the way negotiations were conducted? Did machinery change in any way; did the culture of officials change? Or did the extraordinarily different styles of Major and Thatcher not actually have an impact on the way Whitehall operated?
- WALL** John Major very early on made a speech in Germany where he talked about Britain being at the heart of Europe. In his memoirs I think he slightly kind of rows back from what he actually intended at the time, but at the time I think he meant what Sarah Hogg⁹² wrote for him to say, which was just that – that he did want to signal a change in the way Britain approached things. But of course, he was very constrained by the whole crisis in the Conservative Party generated by Margaret Thatcher's departure; then the fact that he had to fight and win, within months, a general election; and then of course after the general election the fact that he had a very small majority and more Eurosceptics than the size of the majority. And I remember saying to him the day after the election, 'This is great, you know, you've got your own mandate.' And he said to me, 'You wait, this is the moment when my troubles really begin.'

⁹² Sarah Hogg, Head of the Prime Minister's Policy Unit, 1990–95

So, the extent to which he actually had any room for manoeuvre was very limited, and I don't think it therefore really, kind of, from my perception working for him in Number 10, changed very much attitudes in Whitehall. It was a period where the Cabinet Office role, the European Secretariat role, was relatively limited. I mean, John Major didn't really focus on the possibilities of the Cabinet Office as something that could give him strategic and tactical advice.

CAHN Four years later I don't think that would have been true...

WALL It changed.

CAHN It changed. By 1996–97 I think we, Brian Bender⁹³ and I, were seeing Major a great deal.

WALL This is a function, to a large extent, of personalities on the official side.

JAY Two things out of what Stephen said: in the run-up to our presidency in 1992 it was Stephen and I, not the Cabinet Office, who went around with John Major to every capital – which I hadn't quite expected, but I am glad we did. It was very different from the time when I had been in the Cabinet Office a few years earlier, but I think that was largely personalities. On your first question, the difference between Thatcher and Major, I think it may not have changed the way Whitehall worked, but it certainly changed the perception that people had of the prime minister and Number 10. I give two examples of this: I remember the first, John Major's first European Council, the one in December in Rome – I don't know whether you were there or whether it was still Charles – but at his first meeting with Chancellor Kohl, I'm not sure they had met much before – he began the meeting by saying, 'I just want to tell you that German unification is absolutely the right and historic thing to do', and from that moment on the relationship with Chancellor Kohl was utterly different from what it had been under Mrs Thatcher. And I remember, Stephen, you and I at the European Council at Maastricht and Peter Hartmann,⁹⁴ Chancellor Kohl's adviser, coming up to us and saying the chancellor doesn't quite understand what the prime minister wants on the Social Chapter, excluding the Social Chapter, and we explained. 'Oh,' he said, 'oh, I understand now.' And he went off and Chancellor Kohl was supportive. As a way of doing business at head of government level within the European Union, it was completely different and very effective.

WALL The other thing that did change was access to the prime minister by officials, because in Margaret Thatcher's last years there was very little access by officials to her. I mean, I remember, she went on a trip to Africa and Patrick Fairweather,⁹⁵ who was the Under-Secretary for Africa, was allowed on the trip but he had no conversation with Margaret Thatcher at all during the entire ten-

⁹³ Brian Bender, Head of the Cabinet Office European Secretariat, 1994–98

⁹⁴ Peter Hartmann, German foreign affairs adviser, 1984–93

⁹⁵ Patrick Fairweather, FCO Assistant Under-Secretary for Africa, 1987–90

day visit, as it were. And that did change. I mean, John Major was much more open to having people around the table to give him advice.

MALLABY

Could I respond to Michael about the relationship between Major and Kohl? It's interesting that John Major, only a matter of months before, had done exactly the same thing with Genscher whilst foreign secretary. Kohl particularly was thrilled and he highlighted his liking for 'my friend John' in many press conferences, public interviews and in speeches in the Bundestag. And there was a policy point too – changing the subject slightly – which was that John Major bought the idea that having better relations, and therefore more influence with Germany and with France bilaterally, was one way of trying to strengthen our voice in European affairs. The idea that the UK should try to join the Franco-German duo seemed to me to be unthinkable while we were in a partly Eurosceptic mood, but we needed to do something, and John bought that idea and worked hard to get closer to Germany and France, and made good progress in British interests.

BRAITHWAITE

First of all, I think people have said, John Major was very good at negotiating inside the Community for those sorts of reasons. He would come back from a negotiation having achieved all our objectives; whereas Thatcher would come back having only got three out of five; while Bernard [Ingham] would go around saying 'We've won, we've screwed the foreigners' [*laughter*]. Major was much better at negotiating, at getting the British objectives, than she was. He liked officials, I think: he got on with officials, particularly the officials who were next door to him such as Stephen, and whoever was the private secretary at the time, and the Foreign Office because of Douglas Hurd. He accepted advice from the Foreign Office and from the officials around him in a way that she might have accepted it in the end, but she always contested it to start with.

I think it was a very important difference in style and an improvement, and I think officials felt happier as a result because they were being treated seriously. I think that the other point, however, is Christopher's point, and that is the idea of the directorate of three, you know: 'Why can't we join this bilateral, this intimate thing?' We were writing papers about that in the 1970s and trying to point out to ministers that you could do that perhaps, but you would have to do the following things: the French and the Germans meet every six months, is it the whole Cabinet on both sides?

MALLABY

Joint Cabinet meeting.

BRAITHWAITE

Yes, and the individual ministers meet once a month, and our ministers were saying, 'You must be joking, you can't expect us to do that [*laughter*], we have Parliament to attend to, they don't have democracies, so they don't have Parliament to worry about.' But we were never willing to do what it took. Also, there is something about a *ménage à trois* that quite often doesn't work, so I suspect it wouldn't have worked anyway. But it was always the illusion, and ministers would come back to it and get very cross, because we kept being excluded by this relationship without even beginning to do the things that

would have been necessary, if we were going to get into a relationship of that kind.

- CAHN** I think that certainly the experience of briefing John Major was a very different one. Not least he listened for a long time, and he had read the papers beforehand, and then he engaged in a rather civilised discussion. I mean, he could be very ruthless, but he was actually much more like a permanent secretary, wasn't he? But I wonder whether the Whitehall machinery reflected all of that, because my observation was that the Whitehall machinery became more formal, more structured, more process-driven under Major, because that was the way he worked.
- BRAITHWAITE** Well, I mean, Stephen would know better than me, but that would be my impression. He rather liked the way the official machine worked.
- WALL** Yes, but I think crucially on Europe, the absence, certainly in the latter period of Cabinet Office input – I mean, at the time it didn't really strike me as much as in retrospect – as being a significant lacuna, really, in what might have been available to him. Because obviously if you had had somebody running the European Secretariat who was kind of politically astute in the way that Williamson and Hancock and so on had been, it would have been an asset which he didn't have really.
- CAHN** By the time that we got to the BSE crisis he absolutely did depend on the Cabinet Office and the European Secretariat to provide that, to take it away from the Ministry of Agriculture and handle it.
- WALL** Rodric's right – the relationship, to have a relationship between the prime minister and the foreign secretary that was a working relationship, which it hadn't been under Howe. The other thing is, I mean, Charles exercised power of a kind that I don't think any Foreign Office private secretary before – I don't know about since – has exercised. I mean, when I left Number 10 at the end of my time working for John Major, Bernard Donoughue⁹⁶ wrote to me saying, 'Congratulations, you have returned the job to the anonymity where it should be.' [*laughter*] – and I took that as a compliment.
- WICKS** One area where I think he [Major] found great difficulty was in the aftermath of the falling out of the ERM. He constantly returned to the need to reform the ERM, and I have spoken to his political advisers at the time and was told that 'he had to do that because of political reasons'. So the prime minister kept returning to the subject of ERM reform, even though his advice was that there was not much chance of reforming.
- The only reform to the ERM that did happen was one that was not terribly welcome to the prime minister. It happened a year after we left the ERM, when the mechanism was on the brink of collapse because of intense pressure on the French franc. There was a meeting of finance ministers in Brussels under the Belgian presidency, which was just about to announce that the ERM had

⁹⁶ Bernard Donoughue, Senior adviser to the Prime Minister and then Head of the Prime Minister's Policy Unit, 1974-79

collapsed. Ken Clarke⁹⁷ made an intervention in the ERM realignment meeting, reminding the ministers that it had taken years and years and years to get there, and he urged them to think of a way of perpetuating the ERM, even if it meant having much larger bands.

This prompted the idea of having bands of 15% each way, which allowed an enormous amount of latitude. I remember Ken giving the report to the PM [prime minister] on that, as if this was something of a success, but I don't think John Major was best pleased, if I might put it like that. Mr Major found the aftermath of the ERM fallout very difficult – partly because of the politics within his own party and the fact that he thought it was almost demeaning, a humiliation. He was unable to do what chancellors have done in the past, basically said: 'Well, we'll have to devalue, it's not the first time we've had to devalue, it's actually done the economy good, we'll pick up things and move forward.' I think he was understandably very sensitive about the aftermath.

WALL

Yes, I think, in a way, it was sort of the end of his prime ministership in terms of its ability to really be a success. And of course a combination of things then led to Margaret Thatcher setting herself up as a sort of an opponent of the government's European policy; and for a lot of Conservatives their loyalty to the fallen leader became synonymous with being Eurosceptic – David Cameron was one of those at the time. I mean he [Major] did very seriously contemplate resignation after withdrawal from the ERM. I and various other people sought to persuade him not to. He has since told me that the real influence was his sister, who rang him up and said, 'You've created this mess, you better stay behind and clear it up.' *[laughter]*

CAHN

John Major as chancellor proposed the Hard ECU: I pick that as an example of a really good British idea. I mean, a really clever British idea, which could have had traction, could have changed the course of history and it didn't work – and why? Did we get our timing wrong?

WICKS

I was hawking it around Europe. It was superficially quite interesting, but there were some technical issues that made it very difficult to work. But, I am afraid, it is again one of the perennial British tactics in the EU: put forward an alternative British plan to moderate other member states' ambitions – we saw it with EFTA.⁹⁸

So, with EMU, we accepted that other member states were going to go ahead with monetary union, so we put a different proposal on the table, hoping that they would pick up the idea. We tried to persuade the Germans that it would buy time, it would be an alternative, but we could never sell it to them. I remember a meeting between the chancellor and President Giscard d'Estaing – no longer president then, of course – when he tried to sell it to him. We tried our best. The concept had some technical deficiencies, which probably could have been ironed out, but it was seen as a distraction.

⁹⁷ Kenneth Clarke, Chancellor of the Exchequer, 1993–97

⁹⁸ EFTA – European Free Trade Association

- HOLMES** Surely the basic point is that we were the wrong people to propose this? If the French had proposed this, with their position in Europe, it might have had some traction. We were obviously proposing it, from everybody else's point of view, as a spoiling tactic. We were not really European in the same way as everybody else was European, so you know, really you are starting off with both arms tied behind your back, so you never really had much chance.
- SIR JON CUNLIFFE** I remember Joe Grice⁹⁹ saying it was theoretically elegant, but just looking at what happened afterwards, just the kind of dynamic behind the single currency, this falls far short of a political integration measure. I mean, the Hard ECU was kind of economic, but if you believe the primary motivation for the single currency is economic, and they were open to many ideas, then okay; but I don't think the primary motivation was economic – the evidence of what has happened since has kind of validated that. And this is far, far from a single currency. It then, of course, had come along ten years too late, because all the work on the single currency thinking was done in the mid-1980s.
- CAHN** Shall we move onto Maastricht, which was, I suppose, the great leap forward in terms of political integration, and look at the run-up to Maastricht and the way we negotiated in that? Because it is perhaps another example of either you view it as a real triumph of British negotiation, and it was an extraordinary negotiation by John Major and his officials, on the one hand; or you can see it as a failure because it took the Union on a road which has not been good from the UK's point of view subsequently.
- WALL** Well, we couldn't defeat it. That's the point. I mean, you know, the fact that they could have gone ahead, and would have gone ahead under a separate non-European Community treaty meant that actually either we joined it or we had an opt-out – in the real world, we did not have the possibility of stopping it.
- WICKS** But I think John Major realised that the further the negotiations went on and drew nearer to a conclusion, the greater his power to further British objectives. Because if he had said 'No, we are not going to agree to a new treaty' right at the very beginning of the treaty negotiation, the other member states would have gone round the back and found another route. But having done so much work and right on the edge of getting agreement, he could then secure other British interests, like the Social Chapter opt-out, and I think he also got something to do with overseas aid, but I can't remember what it was, very late in the discussions...
- JAY** He succeeded in maintaining unanimity for things like research and development, just by at the very end saying, 'I want this, I want this, I want this'. And they said, 'Oh God, you know, we're hungry.' And he got them.
- CAHN** He got the pillars, the intergovernmental approach. It was the beginning of the weakening of the Commission, or the decline of the Commission.

⁹⁹ Joe Grice, Treasury economist working on monetary policy at this time

- CARY** Some of them were pretty pyrrhic victories: they were important to him politically but take, for example, the Social Chapter. I remember saying at the time that it is inevitable that the next Labour Government is going to bring it in. It will simply have moved ahead slightly faster whilst we're out of the room, becoming a bigger thing to have to buy into. It was a great tactical achievement at the time, but in terms of longer term objectives, the victory was illusory.
- WALL** But I remember, at a certain point, there was a paper by Department for Employment officials which showed a form of the Social Chapter that, at an official level, we might have signed up to. Michael Howard,¹⁰⁰ of course, was the Secretary of State and [as a] Eurosceptic, was vehemently opposed to that. And my main recollection of Maastricht is the constant, constant phone calls between Sarah Hogg and Michael Howard, who was basically saying, 'If John Major gives another centimetre then I'm off, I'm resigning' – so that completely boxed him in, you know.
- WICKS** I think he had a very good year, I mean, we'll go onto the Edinburgh Council, which I think was an amazing success. He got, I can't remember all the things he got...
- CUNLIFFE:** The budget, Denmark, medical research, and he gave the European Parliament in Strasbourg to the French – well, they put it in the treaty.
- WICKS** I think it was a remarkable piece of negotiation up in Edinburgh. And of course one bit of that negotiation, although we didn't realise it at the time, we are now thinking of picking up in the negotiations which are going on now, which is a treaty, but not part of the Community treaties...
- CUNLIFFE** The Danish thing.
- WICKS** The Danish thing. So I think he had a very good year.
- WALL** Particularly at the meeting, the lunch, on the first day in Edinburgh, Mitterrand and Kohl were talking about the Danes possibly being expelled from the European Community. John Major was very, very firm on that point.
- JAY** The Danes themselves, immediately after the first referendum – because I was then leading our negotiations on that – they were themselves inclined to think, 'Well, we can't trouble the rest of the European Union to want to keep us in when we've said we want to go', and we had to say, 'No, it's hugely important for you and for the rest of us and for the EU that you stay, and we're going to help you negotiate something that will satisfy your people and satisfy the EU' – and so the negotiations then got going.
- BRAITHWAITE** You are leaving out of the account the Birmingham summit which preceded the Edinburgh summit and my memory... well, the Birmingham summit was called to deal with the Danish problem, the Edinburgh summit was wrapping

¹⁰⁰ Michael Howard, Baron Howard of Lympne, Secretary of State for Employment, 1990–92

up of the processes which had been set in train then, but it was an emergency summit because of the Danish, I remember.

JAY I think the aim was to show that the European Union could deal with things which were important, and to get the Danes involved – so the focus wasn't on just Denmark, but on what the European Union needed to do, going forward. So there was a declaration on freedom of information and, I think, on subsidiarity.

BRAITHWAITE But the political reason for holding it, then, was to defuse the Danish problem.

WALL It was also post-Black Monday. It was an attempt really to recover some face, and in particular to try and get an agreement, and interestingly it was one of the agreements that Callaghan tried to get when the original ERM was set up: that people who were going to go out at the top of the band would have to take remedial measures, not just those who were about to go down the bottom, and of course we failed signally in that.

My main recollection of it was frantic telephone calls when John Major left the room for a long time, because there had been a meeting of the Star Chamber and Norman Lamont,¹⁰¹ as chancellor, had walked out of the Star Chamber, and his private office didn't know where he had gone, the chancellor had disappeared. And had he resigned or had he gone to the pub, or had he gone to spend, use his visa card in unnamed places? *[laughter]*

So, this was much more interesting than anything. Plus, Mitterrand at that point was dying of cancer, and he had to go and lie down and have injections and so forth, so it was quite a day.

JAY It is worth remembering also that it was just after the French referendum, which had been 50.1 to 49.9 in favour of the Maastricht Treaty. So there was a sense that it wasn't just Denmark; there was a general sense of uncertainty about the Maastricht process.

BRAITHWAITE On Black Wednesday we were in Admiralty House, drafting the speech that Major would make when he got the results of the French referendum on Sunday. And we started by three speeches: one that they had lost it, one that they had gained it, and one that they sort of just won slightly. Then everybody decided that we only needed two and in the middle of that drafting session ministers started leaving the room...

WALL Norman Lamont came in – and Heseltine¹⁰² was there, and Hurd was there. Norman Lamont came in and started reporting on the loss of money – the flood of money leaving the Exchequer – and he kept coming back, it was getting more and more kind of fraught; and then they agreed to put up interest rates. John Major did actually go around the table at one point, asking people whether they thought that we should try and renegotiate our rate to do with the ERM, and none of the ministers did.

¹⁰¹ Norman Lamont, Baron Lamont of Lerwick, Chancellor of the Exchequer, 1990–93

¹⁰² Michael Heseltine, President of the Board of Trade and Secretary of State for Trade and Industry, 1992-1995

- WICKS** You are thinking of ERM day, you are talking about the French referendum.
- BRAITHWAITE** No, I am talking about both. The ERM day was when we were drafting the speech. We were sitting in Admiralty House drafting the speech and, as you say, the chancellor kept on coming in, we were all sitting around – and you know, when you get ministers involved in the drafting session it is even worse than a drafting session amongst officials, because they *all* want to put commas in, and so that was that.
- But just another point on the ERM/Euro debate: such an arrangement can only work politically if the people coming out at the top had to pay, as well as the people coming out at the bottom. That's what killed Keynes in the negotiations for the Washington financial institutions. He was trying to say that the Americans, with their strong currency, should also take part of the hit. No strong currency has ever agreed to that, and never will.
- WALL** There were conversations in the afternoon between John Major, Chancellor Kohl and, I think, it was Prime Minister Beregovoy.¹⁰³
- BRAITHWAITE** It was Beregovoy.
- WALL** It was Beregovoy. Who was very sympathetic, but they weren't in a position to do anything. Kohl did go and consult with the Bundesbank and came back and was adamant that Germany could do nothing. I don't know, but I have always believed – not least in the light of the support that Germany subsequently gave to France – that the decision was influenced by the very, very bad tempered informal meeting of finance ministers that had taken place about ten days before; and that basically the Germans, you know, they were simply not prepared to support us.
- WICKS** But it was the Bundesbank that had to take the decision, not the German Chancellor.
- WALL** Could Kohl not have overridden?
- WICKS** No, no.
- PETER RIDDELL** That was the occasion of the argument between Lamont and Schlesinger¹⁰⁴ at Bath wasn't it, when he said 'You should help us out'?
- BRAITHWAITE** And 'The Hun in the Sun', the 'Hun in the Sun' was the headline.
- JAY** A tiny anecdote of this period. There was a foreign affairs council in Oslo in the margins of an NAC¹⁰⁵ meeting, and there was a foreign affairs council in New York, in the UN General Assembly building – it's a good *University Challenge* question: when did the foreign affairs council meet in Oslo?

¹⁰³ Pierre Beregovoy, French Prime Minister from April 1992 to March 1993

¹⁰⁴ Helmut Schlesinger, President of the Bundesbank, 1991-93

¹⁰⁵ NAC – North Atlantic Council

- CAHN** Can we move onto the BSE crisis, because I think it is very interesting for the history of Whitehall in several ways? And then I want, before Stephen has to go, to do a little bit of the Labour Government, because Stephen played a big role in it. On BSE you had Europe being the plaything, the blame was put on Europe for what was essentially a domestic policy failing, and it was a rather extraordinary episode where, again, you had internal Conservative Party Europolitics intruding greatly.
- But we also had the period, if you remember, of non-cooperation, which was a quite extraordinary period, and it is quite interesting to me how Whitehall responded to that. If I may be permitted an anecdote, I was in the Cabinet room with John Major when four Eurosceptic cabinet ministers walked in, simply walked in, and explained that they had come to the conclusion that we needed a non-cooperation policy – and we had quite a long discussion and I remember putting my hand up twice and saying, ‘I don’t see how it is workable’ and ‘What is your escape route? I mean, how do you get out; it can’t be sustained for very long, so how do you escape from this?’ And it was completely brushed aside, and it was a good example of officials having absolutely no influence whatsoever on a disastrous policy being implemented.
- WALL** There was some vote, they thought – because I was then Perm. Rep. and I had a phone call, from John Major telling me that this was the new policy – and they were facing a vote in the House of Commons which was related to BSE, I can’t remember the detail, but they thought they were going to lose it and that is, I think, what prompted the departure into panic.
- HOLMES** I also remember this very well, as you do, Andrew. You have to get the context right, which is the ragged end of the Major administration, when the majority had disappeared virtually and there were all sorts of problems with Eurosceptics and the Northern Irish and everybody else, and all of a sudden we had the BSE crisis which no one... I mean, it looks rather ridiculous now when we know what actually happened, but you can remember, I always remember, I think it was an *Observer* front page at the time, with a picture of ‘Britain in twenty years’ time’ with weeds growing out of the motorways because most of the population had died of BSE, which as I say looks completely ridiculous now – but there was an atmosphere of hysteria about the whole thing.
- CAHN** Well, we really didn’t know. It was a perfectly realistic possibility that millions of people were going to die.
- HOLMES** And when Douglas Hogg¹⁰⁶ proposed the extermination of the entire cattle community in Britain and various things. So, I mean, it was driven by the domestic politics. There was also a genuine sense of anger, I think, certainly on the part of John Major, at the way he felt that other members of the European Union had reacted without any sort of feeling of solidarity for the plight he found himself in. I remember very well, the most bad-tempered conversation I have ever seen in any ministerial engagement was Major

¹⁰⁶ Douglas Hogg, 3rd Viscount Hailsham, Minister of Agriculture, Fisheries and Food, 1995–97

talking to Santer on the telephone, screaming down the phone, with expletives.

CAHN I was in the room too, I remember it. Absolutely extraordinary, particularly for a courteous man like John Major.

HOLMES Absolutely, completely lost his temper with him – and then we had this extraordinary episode when we found ourselves, at no notice, with this non-cooperation policy. And I remember, after the meeting you were talking about, we had to get Ken Clarke in to somehow sign up to this – which he did, you know, reluctantly – and then I had to go away and write, probably with you and Brian Bender, a statement for the prime minister to make three hours later announcing this, saying: ‘What the...?’ All we had was a non-cooperation policy, absolutely no detail in there at all.

CAHN Simon Gass¹⁰⁷ and I were simultaneously writing a sort of ‘how would this work?’ paper, or ‘what would this mean?’

HOLMES You were probably writing the Q&A to go with it or something – and it was absolutely extraordinary, it was completely politically driven and wasn’t a glorious episode at all, but it was managed in such a way that we did get out of it, not too long later. We managed the policy itself in such a way that it didn’t do too much damage; it was a ridiculous policy, we were having to decide on all sorts of things, do we agree or do we not agree, is this in our interests or not in our interests? It was completely potty.

CARY Just as an example of the way in which it was politically driven, I remember in Easter 1996, when the ban was placed on British beef exports, we were asked to write a paper for Number 10 on the immediate response. We said that the ban was going to take some time to overturn, and sketched a long-term strategy. Number 10 refused to put that advice to the prime minister. It got sent back, saying: ‘We’re not prepared to take this advice. The problem has got to be resolved immediately, at the next Agriculture Council’ or whatever. John is entirely right that the politics had taken over the policy. It is another interesting example of where Whitehall never bought into the policy: everybody was saying that the policy of non-cooperation was mad. So Whitehall was not at its best in doing what ministers were asking for.

STOW I have two or three abiding memories of this. One was the Friday morning meeting immediately after the Cabinet had taken the decision. It was packed out, standing room only, and incredulity, I think was probably the uniform response – and then going back into the department and telling Christopher Roberts¹⁰⁸ that this was happening, and he said, ‘Oh well, it can’t apply to trade policy, can it?’, and I had to say ‘Yes, I’m afraid it does, Christopher’ – and he just couldn’t believe it.

¹⁰⁷ Simon Gass, Deputy Head, then Head of the FCO EU Department, 1995–98

¹⁰⁸ Christopher Roberts, Director General for Trade Policy, 1987–97

And then, probably the following week, the only time the Deputy Permanent Representative, I think, has been on the front page of the *Daily Express*, with the headline 'Blocker Bostock'¹⁰⁹ [*laughter*]; and he had used the veto for the Council conclusions in the internal market Council on better regulation, which we had drafted, which was kind of an encapsulation of it.

LAMBERT Just to add – I was there and Stephen was at the time – before every Council we blocked every single 'A' point and had this formal reading out of every single 'A' point we were blocking. Luckily, I think, most of the ministers who came were probably not of the Eurosceptic tendency and did it with a fairly light touch; and I remember one, who will remain nameless, who said, 'I hope and pray this is the last time I do this ridiculous thing.' And so it didn't do quite as much lasting damage as it might have done, but it was complete madness.

CAHN Yes, it's interesting, isn't it, that the 'empty chair' policy is still part of Brussels folklore and remembered, whilst the non-cooperation policy, I don't think, had the same impact?

WALL I think a number of things happened. Among them Michael Howard, who was home secretary, came out and had to veto a proposal which he had put forward, which even he could see was pretty ridiculous. There was a meeting of the General Affairs Council and Malcolm Rifkind,¹¹⁰ who was foreign secretary, where every single foreign minister who was round the table really laid into him, I mean not bad-temperedly, but really, really toughly. I don't suppose it had much of a contribution, but I wrote a letter to Alex Allan¹¹¹ pointing out that if we went beyond a certain point – I mean, for a few weeks it would be tolerated – but what we would find would be that all those areas where we depended on the Commission to give us – like competition policy cases or state aid cases, where it may be 80% substance and 10 or 20% politics – we would not be given the benefit of the doubt, so our interests would start to suffer. And to his credit, Santer and the Commission really did, they built the ladder down which we climbed at the Florence European Council.

WICKS There were some problems, I recall and Stephen will, to do with the Council budget. Because under UK law I think, UK law were obliged to pay over to Brussels its share of the so-called 'Own Resources' – and under a non-cooperation policy we were supposed not to. I remember my staff came to me and said, 'Look, we've got a payment which is due at so-and-so a time, and by UK law we have to pay it across, but non-cooperation says that we don't – so what will we do?' And I said, 'Well, when the time comes you better let me have all the papers and I'll decide what to do.' Thank goodness by the time, Stephen you were at COREPER?

WALL Yes.

¹⁰⁹ David Bostock, Deputy Permanent Representative, 1995–98

¹¹⁰ Sir Malcolm Rifkind, Foreign Secretary, 1995–97

¹¹¹ Sir Alex Allan, Principal Private Secretary to the Prime Minister, 1992–97

- WICKS** It had all blown over by then, but I would have been very interested to see what would have happened if we actually had broken UK law.
- WALL** We would have incurred very heavy interest rates, for a start, for non-payment, and ultimately retaliation.
- HOLMES** As I recall, we could choose exactly what we didn't cooperate on and what we did. We said, 'If it is really in our interests we'll do it. If it's not, we won't', you know, and that's how the policy was being nibbled away at the whole time.
- CAHN** That wasn't the pure policy at the very beginning, but it developed.
- WICKS** There was also some decision which came up at the Council at one stage for some quite minor proposal that would be passed unless we objected to it. So, since we were not cooperating, we could not object.
- CAHN** I've always said that the non-cooperation policy was an example of Whitehall both being completely loyal to ministers in carrying things out, even for what everybody thought was a completely lunatic policy, but also the Whitehall way of nibbling away at something and trying to make it workable. So, Whitehall did its duty, but equally felt this thing was so unworkable, so lunatic and so self-defeating that immediately the work started, how do you make this sensible, how do you find an escape route, how do you find a ladder to climb down? And you can either, depending on your perspective, see that as Whitehall servants being very dutiful and very loyal, or you can see it as being very disloyal and failing to do their duty.
- HOLMES** I mean, it wasn't a glorious episode, it was a ridiculous policy, but it served its short-term political purpose, which was keeping the Commons on-side with what was happening. And then we got out of it relatively quickly with a statement that meant absolutely nothing at the Florence Council, because it took another ten years to get the ban lifted, but still.
- WALL** In a very British way, I don't think that we really correctly estimated what was going on in other countries. I mean, in Portugal – where I had served and where our agricultural attaché had been instrumental in a huge amount of sales of beef cattle – almost the entire Portuguese herd had to be destroyed. I had in my house in Brussels a meeting of all the chief vets of Europe for dinner, and they weren't threatening, they were frightened, frightened people. They were frightened of going back and having to say to their government, 'Yes, we think you should relax it.' These governments were like us, they didn't know what was happening. The French had had a huge scare over infected blood and HIV, and for them this was basic self-protection.
- HOLMES** I also remember the Embassy in Bonn or Berlin at the time was getting enquiries from worried Germans, saying: 'Is it alright to wear leather shoes?' – which is an illustration of the extent of the panic that had gripped the European population.

- POOLEY** It is interesting that by the time this is happening I had retired and, having retired early, needed a little bit of money to earn from consultancy; and I was appointed interim Secretary-General of COPA-COGECA,¹¹² which you may not have heard of, but which is the Brussels farm lobby. Amongst the farming leaders there was, on the one hand, immense sympathy and support for the poor British farmers; and the National Farmers' Union representative was a particularly effective chap, as it happened. So there was no resentment, just pity and support, and so on; and on the other hand, absolute terror that this could come their way, and absolute insistence that there could be no exports of anything – perhaps not even people – to stop this thing from reaching our shores.
- CAHN** But that was the interesting thing: the British political world and media chose to interpret this as an anti-British view in Europe, whereas actually, had the French had BSE, we would block their exports immediately, it wasn't actually anti-British at all.
- WALL** The Americans blocked our imports.
- CUNLIFFE** On a slightly different point, whilst negotiating something on which we were told we couldn't agree anything – the Growth and Stability Pact or something – all of the mood music I remember at the time, within the civil service European circle, was that we were a laughing stock, this was an absolute disaster from which we wouldn't recover and people would pay us back, etc. And yet, you're right – it's not mentioned in Brussels, most people have forgotten about it, and it seemed to pass really quickly. And I wonder if there's something in there about Whitehall's acute sensitivity, sometimes oversensitivity, about what we think other people think of us. At the time, it was seen as a kind of foreign policy disaster, we would be under this block for years to come; but actually it passed quite quickly, and I can think of other member states doing similarly mad things – and maybe there is just more resilience to mad things being done by countries in the European Union.
- HOLMES** I think it's partly that – it's a point going back to the Luxembourg Compromise, that somebody made earlier – when a country, when a government makes clear that this is really, really politically difficult for me, the other leaders listen because they all know that they could be in the same position. So they will try and accommodate you if they possibly can: even when their officials are complaining and bitching, the leaders understand the politics, domestic politics.
- CUNLIFFE** I take that, although I think that has become much attenuated at the period we're coming on to. My point is more the Whitehall reaction at the time, I remember, was a kind of extreme kind of sensitivity about how long this shadow would hang over us, and actually it didn't hang over us for very long; and I wonder if that tells you something about Whitehall.

¹¹² COPA-COGECA – Committee of Professional Agricultural Organisations–General Confederation of Agricultural Cooperatives

- CAHN** And of course we had a change of administration halfway through.
- CUNLIFFE** Yes, and the Major Government was on its last legs, etc.
- POOLEY** More important, the terror that – and it was real terror – people were expecting the cattle population to be reduced by millions.
- CUNLIFFE** I'm not talking about the actual issue; I'm talking about the non-cooperation policy.
- WALL** But I think, John, it only lasted, what?
- HOLMES** Three or four months at the most.
- WALL** So we never really got to the point where our partners were feeling the squeeze; things could be put on hold for a few months. If it had gone on for six months, it might have been different.
- BRAITHWAITE** I was just going to say, I very much agree with that. I think we do overestimate the long-term effects of saying things. But I was involved in the earlier BSE row in 1991. I was in Moscow at the time, and the Russians said, 'We don't want this stuff', and we said, 'You've got to have it.' We had got a phone call from you [Wall] probably, but I also got a phone call from the Foreign Office. We had invited Yeltsin¹¹³ to pass through London on his way to the United Nations to speak in January, and somebody from the Foreign Office rang to say, 'If they don't take our beef we will make sure Yeltsin doesn't get to New York.' So people were sort of quite hysterical.
- CAHN** It was a hysterical time. Stephen's got to go in 15 minutes and I'm keen to have at least a start on the Tony Blair era whilst Stephen is here. So, perhaps we can move to 1997 to the New Labour Government coming in.
- Stephen, how did that change the way Whitehall dealt with Europe? You certainly had Peter Mandelson¹¹⁴ in the Cabinet Office as a sort of a multi-fixer. You had an enthusiastic prime minister who felt he was very pro-European.
- WALL** Yes, interestingly, if you look at the one foreign policy speech that Tony Blair made during the election campaign on Europe, he details all the policies and basically is at pains to say that there is no difference of substance between the Labour Party and the Conservative Party – the one difference is that *he* is a leader and John Major isn't, and of course the next day Tony Blair wrote an article in *The Sun* talking about slaying the dragon of political union and monetary union, if it looked like damaging their position.
- So I think our partners started off by having a question mark over whether there would be a very big difference of substance. It was obviously different because I remember having a conversation with Brian Bender, and saying to

¹¹³ Boris Yeltsin, President of the Russian Federation, 1991–99

¹¹⁴ Peter Mandelson, Baron Mandelson, Minister without Portfolio, 1997–98

each other that if John Major won the election, the first question we would have to ask him [was]: was there anything in the Amsterdam Treaty, which was then up for negotiation, that you could actually accept?

Because I was doing the official negotiations, I used to get reams and reams of instructions every week, and I remember saying to the Foreign Office, you might as well just send me a one-liner saying ‘Just say “no”’, because it was ‘no’ to everything. So we knew there would be a bit more, a little bit more flexibility there. But at one of the first meetings of the Europe Committee, under Robin Cook’s¹¹⁵ chairmanship, a question was raised, I think by Mandelson, as to whether the Labour Party’s commitment to majority voting on some social issue should actually be reversed and they would insist on unanimity. And I said, ‘Well, if you do that, our partners are waiting to see whether this government really is different, and if you go back on that then they will think there is no difference between you and the Tories.’ And Mandelson whispered in my ear, ‘That’s blackmail,’ and he subsequently took me by the elbow, and said, ‘You and I are friends,’ which quite made me feel the hair on the back of my neck, and he said, ‘You are never to speak like that in one of these meetings ever again,’ – and I said, ‘Well, that’s my job, you know, my job is to tell you what it is’, and he said ‘No, no, no – Robin Cook and Clare Short,¹¹⁶ they aren’t part of our circle, and if you have something to say, you should say it to me or to Tony Blair.’ So that was a pretty clear marker of the way things were going to be done.

So I mean, yes – but if you look at the record of Amsterdam, obviously we signed up to the Social Chapter, but we signed up to the Social Chapter because that was something Blair had inherited from Kinnock and Smith,¹¹⁷ which he did very much *à contre-cœur*. It took me a long time to get used to the fact that this was a Labour Government whose first question on any industrial or social issue, was not: ‘What do the TUC¹¹⁸ think?’, but ‘What do the CBI¹¹⁹ think?’ So, actually – I mean, you were at the Whitehall end, better able to judge than me – but the atmospherics were different. Tony Blair was a superstar, the Dutch had an informal meeting at Noordwijk on the North Sea coast, where they all wanted to have their photograph taken with Blair, he was like Brad Pitt, so all that stuff was different.

SEVERAL PARTICIPANTS

That was Amsterdam.

WALL

And then of course, quite soon, by October, the announcement had been made by Charlie Whelan¹²⁰ in the pub, on behalf of Gordon Brown, that we weren’t going into Economic and Monetary Union. I think at that point our partners began to see, actually, that the atmospherics would be different, that

¹¹⁵ Robin Cook, Secretary of State for Foreign and Commonwealth Affairs, 1997–2001

¹¹⁶ Clare Short, Secretary of State for International Development, 1997–2003

¹¹⁷ Neil Kinnock, Leader of the Labour Party, 1983–92; John Smith, Leader of the Labour Party, 1992–94

¹¹⁸ TUC – Trades Union Congress

¹¹⁹ CBI – Confederation of British Industry

¹²⁰ Charlie Whelan, spokesperson for Gordon Brown, 1992–99

Tony Blair was much more open in terms of his personal attitudes; but the sort of substance, day-to-day – the substance of what we were doing in councils – wasn't going to change that much.

- CUNLIFFE** On the Euro, I remember getting a call from my French opposite number who said, 'So, you're joining?' This was about three weeks after the election. And when I asked him why, he said that Roger Liddle¹²¹ had just been in Paris [*laughter*], and Roger had told them that we were joining. And this went through, and he went through a number of capitals, and there were about four weeks between the two, and I got a call from him, I mean, who was the economic adviser?
- CAHN** Derek Scott.¹²²
- CUNLIFFE** Yes, Derek Scott. Saying, 'Who is Scott?', and I said, 'Well, he's the economic adviser', and he said: 'Well, he's just come through and said you're not joining.' There was a lot of confusion.
- HOLMES** I think, to emphasise what Stephen was saying, the whole atmosphere of the government was completely different. You had a prime minister who could do anything, after a prime minister who could do nothing, in terms of parliamentary majorities and political position, but his underlying views on Europe were not very different from those of John Major. I mean, he was European, but not *very*; he didn't have all the scars on his back from having been at the European Councils for seven years. But otherwise, you know, he wasn't *massively* pro-European – he was pro-European, but wanted a reformed Europe sort of thing. But, you know, he was just in a completely different position, with confidence unbound, and confidence in his own ability.
- CAHN** Blair wasn't really focused on Europe; I mean, my perception was that Peter Mandelson was focused on Europe, and was driving things forward.
- HOLMES** Well, that's right, but he did have to focus on Europe quite quickly because of Amsterdam, and he then...
- CAHN** And on BSE, he had to do the Florence European Council, it was he who climbed down the ladder.
- WALL** No.
- HOLMES** No, that was a year later, but in Amsterdam he really applied himself. We had lots of sessions sitting down and he really did his homework, like a lawyer absorbing a brief, so when he got to Amsterdam he really knew his stuff, he was good on that. And then, of course, the whole Euro argument was there underneath. He didn't necessarily want to join at all costs, but he certainly

¹²¹ Roger Liddle, special adviser on Europe to the prime minister, 1997–2003

¹²² Derek Scott, economic adviser to the prime minister, 1997–2003

didn't want to rule it out, so there was a whole sort of argument with [Gordon] Brown and Ed Balls,¹²³ and how you drafted the tests, endless negotiation.

WICKS

Just following what John has said, in our conversation so far, with one exception which was Sarah Hogg, the names of special advisers have not really featured – and that's because they didn't feature in the sort of discussion that we are talking about: 1997 was a watershed in that respect, and we have seen the consequences thereafter. Now we are in a situation where special advisers or political advisers gather round at Number 10 and, at least according to the press, have a large say on policy and action.

My second point is that Tony Blair, during our presidency, had to chair a European Council that was going to anoint the first president of the European Central Bank. Everyone had assumed that it was going to be Wim Duisenberg.¹²⁴ He was the Central Bank governors' choice. But Mr Chirac disagreed and said this wasn't democratic – the decision was a matter for heads of state and they hadn't taken a decision, and he was technically right. Tony Blair, I think with enormous skill, managed to find a solution in the European Council. Mr Blair held a lot of private bilateral discussions with some members of the European Council – much to the annoyance of others, including Chancellor Kohl. But if Tony Blair had summoned a full plenary of the Council, as some members of the European Council wanted, the whole negotiation would have fallen to pieces.

WALL

Yes – you, Nigel and I were sent by Tony Blair to the German delegation for a meeting, we were sent to find out what was going on, and Kohl was in the middle of a huge, huge row with his advisers.

WICKS

Yes, he was like a lion cornered, the great lion, by a lot of other German ministers, Mr Waigel¹²⁵ and some others, saying 'No, you must not agree' that Mr Trichet,¹²⁶ whom the French wanted, should be the first president of the ECB:¹²⁷ 'You have to stick to Mr Duisenberg.' Kohl, I think, was pretty much weakened, but he did stick to that position. And Tony Blair, I think with immense, immense skill, got an agreement, and then it was presented in European Council; everyone waited to see whether anyone would say anything, and Mr Blair looked around the room and said, 'Well, no one disagrees with that, let's go on to the next piece of business.' It was an immensely skilful operation, but he probably didn't get much thanks in Europe for it – but he should have done.

HOLMES

Just on the special advisers point: actually, people like Roger Liddle and Derek Scott didn't have much influence at that point. Well, they were maybe more used to speaking publicly than others.

¹²³ Ed Balls, Special Adviser to Gordon Brown, 1997–99, thereafter chief economic adviser to the Treasury, 1999–2004

¹²⁴ Wim Duisenberg, President of the European Central Bank, 1998–2003

¹²⁵ Theo Waigel, German federal finance minister, 1989–98

¹²⁶ Jean-Claude Trichet, President of the European Central Bank, 2003–11

¹²⁷ ECB – European Central Bank

- WICKS** But they confused...
- HOLMES** I mean, obviously you had Jonathan Powell and Alastair Campbell¹²⁸ who were special advisers in the technical sense, but were not so much in...
- JAY** But they had an influence in capitals, John. I mean, when, fairly shortly after Blair got in, Roger Liddle and Derek Scott would come either together or separately to Paris, there would be dinners and they would expound the prime minister's policy. The presence of two special advisers in Paris certainly gave the impression that here was a different policy. But I think they perhaps had more of an impact in Paris, I don't know about other capitals than perhaps they appeared to have done in London.
- CUNLIFFE** On Stephen's view that Tony Blair was quite similar to John Major in his attitudes towards Europe, I think that my impression of John Major was that he was fairly thoroughly sound on Europe, kind of by the end of the period, but certainly the perception of Blair in Europe was that this was different and a change, and that lasted actually all the way through to the Iraq War. Initially people thought that Brown was keener to join the Euro than Blair, there was a little bit of strange, kind of 'cross-dressing' at the very beginning, but after the Charlie Whelan incident and having to write the first 'five tests' paper over a weekend, which is what we had to do, I think people then saw Blair as pushing the European case and Brown sort of...
- WALL** I mean, certainly they had clearly decided that they had to establish their credentials as being able to run the economy in the first term, and then the Euro would be the issue for the second term. When Tony Blair asked me to go back to London and then to work in Number 10 after the 2001 election, he made a big thing about the Euro, and we kept doing scenarios for him, you know, 'You have to do x by y in order to join by so-and-so', and I never got those back from him; and in retrospect I think he was already thinking, 'Can I actually do this?'
- In Number 10 most of us did think... I remember having, right through the spring of 2003 until, ironically – one of these things that makes the scales fall from your eyes – I had a conversation one day on the phone with John Major, and John Major said to me: 'Stephen, you don't seriously think, do you, that Gordon is going to allow Tony to do this?' And I thought about it for about half a minute, and thought actually no – he can't do it without getting rid of his chancellor, and if he gets rid of his chancellor he's not going to win a referendum. I remember saying to Peter Hyman,¹²⁹ who was one of the special advisers – who used to say, 'We will win a Euro referendum on the back of the "Baghdad bounce"', because it was thought that Iraq was going to be a huge success – and I said to Peter, 'I bet you a bottle of champagne we don't do it.' And Peter Hyman still owes me the bottle of champagne.

¹²⁸ Jonathan Powell, prime minister's chief of staff, 1997–2007; Alastair Campbell, Downing Street press secretary, 1997–2000

¹²⁹ Peter Hyman, speechwriter and strategist for Tony Blair, 1994–2001; Head of the Prime Minister's Strategic Communications Unit, 2001–03

- CAHN** Special advisers never pay up.
- WALL** Once the position was taken that we weren't going to go ahead, there was the question of who would announce it in the House of Commons, and Tony Blair wanted to announce it because he wanted to give the impression, without actually saying so, that it was kind of whether rather than when. And the word came from Ed Balls to Jeremy Heywood¹³⁰ that if the prime minister makes a statement he will have to get himself a new chancellor, so that was the end of that. The day after the announcement, Blair and Gordon Brown gave a press conference at which they announced the roadshow that was going to go around the country talking about the Euro, and I was in a bit of a panic because we had done no work on this: it was the first I had heard of this roadshow, and I was the head of the European Secretariat. And I said to Jonathan, 'We've done no work on this, what do we do?' And Jonathan said, 'Don't be an idiot, of course there isn't going to be a roadshow' which had just been announced publicly by the chancellor and the prime minister – and so no work was done, and it never happened. But the Foreign Office, rather like Ko-Ko in *The Mikado*, when asked by the press, said almost, 'Well, the announcement was the roadshow.'
- STOW** I think, from a sort of nuts and bolts end, the change of government did make a dramatic difference, because the two years previously we had a Secretary of State, Ian Lang¹³¹ – a sensible kind of guy, but he just kept his head so low down on Europe. He didn't want to be seen in Brussels because of what was going on in the Conservative Party. And that changed dramatically immediately afterwards. You could start encouraging ministers to get out, and it did make a pretty difference – again, more on appearance than substance, but made a real difference.
- WICKS** When Gordon Brown became chancellor, we found him very well briefed already on European matters. That was because he had practice going to the heads of the European socialists' pre-meetings for the Ecofin Councils,¹³² and there were many members who went there, like the Irish finance minister and some others, and they used to literally go through, in that political grouping, the Ecofin agenda. So he – and Ed Balls used to go with him – so he and Ed Balls were pretty much up-to-date, up-to-speed, with the day-to-day dossiers that were coming through for Ecofin, which made our job in Treasury incredibly easier.
- CUNLIFFE** Just to add to Stephen's comment, the other change I remember in Whitehall – maybe it's a bit later under Blair – is the fusing of the Foreign Affairs adviser and the European Affairs adviser, with the head of the secretariat. And that was done under Jeremy Heywood – I think he masterminded those reforms, it

¹³⁰ Sir Jeremy Heywood, Principal Private Secretary to the Prime Minister, 1999–2003, 2008–10; Downing Street Permanent Secretary, 2010–12; Cabinet Secretary, 2012–present

¹³¹ Ian Lang, President of the Board of Trade and Secretary of State for Trade and Industry, 1995–97

¹³² Ecofin Council – Economic and Financial Affairs Council

was a couple of years in. So whereas in the past you had the Foreign Affairs adviser and private secretary in Number 10, those two posts were fused. I can't remember when that happened.

- CARY** 2001, apparently.
- CAHN** Even in 2004 you have Stephen as the Head of the European Secretariat and prime minister's Europe adviser, but you have Matthew Rycroft¹³³ as the Foreign Affairs private secretary.
- CUNLIFFE** Yes, but that was a much downgraded role. Basically, the Charles Powell role had been split into Europe and other, foreign policy. But the head of the secretariat, I'm trying to think – who was the first, 2001 wasn't it?
- CAHN** David Bostock?
- CUNLIFFE** It was after Bostock went, I think.
- CAHN** Stephen Wall replaced.
- CUNLIFFE** Yes, Stephen would have been the first to run the secretariat and be the adviser.
- CAHN** And he moved into Number 10?
- CUNLIFFE** Yes he did, that was the difference.
- JAY** But that was mirrored on the foreign policy side too. David Manning¹³⁴ was the Private Secretary and the head of the Cabinet Office OD Secretariat.¹³⁵
- CUNLIFFE** It was a general reform, but it changed the whole Cabinet Office. The Cabinet Office as a prime minister's department and the Cabinet Office as kind of serving the Cabinet, that balance altered.
- CAHN** But my observation was that Blair very early on shifted, he did shift away from using the normal Cabinet Office machinery and the Cabinet committee machinery. If we take BSE, which really in the first few weeks... I remember the first weekend after the election, I had spent the entire weekend writing, I had been asked to write a position paper or briefing paper on the BSE crisis, because it was one of the big two or three issues that hit him when he arrived: 'How do we handle this?' His instinct was, 'Are you telling me the Ministry of Agriculture is going to solve this? No, we're going to solve this.' And we then had about four or five weeks of battle with Tony Blair, making it quite clear to Nick Brown,¹³⁶ the Minister of Agriculture, Fisheries and Food, and Packer,¹³⁷ who was the

¹³³ Matthew Rycroft, Private Secretary (Foreign Affairs) to the Prime Minister, 2002-05

¹³⁴ David Manning, Foreign Affairs Adviser to the Prime Minister 2001-03; British Ambassador to the United States, 2003-07

¹³⁵ Cabinet Office OD Secretariat – Defence and Overseas Policy Cabinet Committee Secretariat

¹³⁶ Nick Brown, Minister of Agriculture, Fisheries and Food, 1998–2001

¹³⁷ Sir Richard Packer, Permanent Secretary, Ministry for Agriculture, Fisheries and Food, 1993–2000

Permanent Secretary, that it wasn't their business to do it, *he* was going to solve this problem. And shortly afterwards I had to do the same thing with the Department for Health on tobacco sponsorship and Formula One racing where, again, I was told to go into the Department for Health and tell them what to do. In other words, the Cabinet Office had become the prime minister's department, and the prime minister's department was going to deal with politically sensitive, difficult issues – and I think that's, that's how Whitehall then was structured.

CUNLIFFE I think that's how he came in, and the change was simply because he couldn't get the Cabinet Office to do what he wanted it to do – that's why the changes were made.

CAHN Then he got other myrmidons to do his work for him, but he still had the idea that he would solve the big problems, that he would get people around the table and wouldn't trust his ministers.

HOLMES I mean, he himself was never interested in the structures. You know, somebody said earlier, 'Go away and do it', and so Cabinet ministers didn't really count, they just got told what to do by some junior chap from the Policy Unit.

CUNLIFFE I think we're in heated agreement here. My point was that this was a structural change with Blair and a change in the way he worked, but the shift of the Cabinet Office towards a prime minister's department starts there and it's – I don't know whether Jeremy ever discussed the reforms, the changes with him – but those changes kind of cemented that role of the Cabinet Office as the prime minister's instrument for action, particularly on Europe. I think it was more pronounced on Europe than in other areas, because on Europe, policy was driven out of Number 10, well, probably in the Thatcher years and the Blair years.

DANIEL THORNTON Bu obviously, the Cabinet Office's writ didn't run in the Treasury, as I remember.

CUNLIFFE No, but no Number 10 writ ran in the Treasury. Although interestingly, just before the election in 1997, Ken Clarke went off to the informal Ecofin to sign the Growth and Stability Pact, and I remember – it was done at the informal, so it couldn't really be done there – and I remember we got furious letters from Number 10, saying, 'What's he going to do?' Because he just went off and did it; he thought it was the right thing – and Number 10 were very concerned about whether we could be pulled in, there was a whole parliamentary set of things going on around the legislation and whether it included us. And Alex Allan writing a letter which said at the bottom, 'and remember, the First Lord of the Treasury is the Prime Minister.' And of course, Ken went off and just did it, and Portillo¹³⁸ was also in the Treasury at that point and very suspicious of it. But you know, he didn't tell Major what he was doing. But under Brown, you couldn't really have any discussion with Number 10 or with the Cabinet Office

¹³⁸ Michael Portillo, Chief Secretary to the Treasury, 1992–94

that didn't go through, initially, Ed Balls to Jeremy Heywood. It was just an iron curtain had descended.

CAHN Can we just focus a little bit on what the implications were of this change for the way that UKREP operated? The powers of UKREP, did they increase, did they decline? And also the coordination machinery, the European Secretariat: did its centrality decline under Blair, and indeed then under Gordon Brown?

HOLMES Not at the beginning, but it was still very strong when I was there, the European Secretariat, but maybe when the changes Jon was talking about happened. The physical embodiment of this was Stephen Wall moving into Number 10, which hadn't been the case before. You sat in the Cabinet Office, which was not very far away, but it still was different.

STOW My impression from the Deputy Perm. Rep. position was that a lot more was done through correspondence rather than meetings, so the Cabinet Office secretariat still managed the process, but it was very much a nominal process leading to an agreed position, I think. I certainly didn't observe any weakening of the influence of UKREP.

LAMBERT No, as Deputy Perm. Rep. you didn't really have any dossier that involved the Treasury, so you didn't get exposed to those tensions. So the Treasury just wasn't really part of what I was dealing with. But it was the Cabinet Office that was key with UKREP; on a quite informal basis from time to time, because not everything went to the Friday meetings, certainly in my time. We always used to have a Monday call, and informally we got things sorted out. The only really big thing that was run totally by Number 10 advisers was 'Working Time', and Geoffrey Norris¹³⁹ used to appear at every council – sorry, sat in the delegation room – but he totally, they totally ran that one.

CUNLIFFE I didn't see much of the Cabinet Office, didn't deal with them much, during the Blair–Brown days. The impression was that they were much stronger but in a different role, as a prime minister's department role, and certainly didn't get involved in the constitutional discussions that seemed to be run directly by Number 10. It would be interesting to know at what point the Foreign Office disappeared from kind of the general area of EU advice.

CAHN I think it began, the decline, in 1996–97, but it took a while before the Foreign Office was weakened – and then, of course, the Treasury finally took over, and is now in the ascendant.

CUNLIFFE But the Foreign Office actually wound back its resources on the Single Market and all the other things before 1997.

LAMBERT They didn't really, I mean there wasn't room, I always thought, for a Foreign Office desk officer *versus* a Cabinet Office desk officer, you were just duplicating.

¹³⁹ Geoffrey Norris, special adviser to the prime minister on trade and industry, 1997–2008

- CUNLIFFE** But the Foreign Office desk officer existed until what, mid-1990s?
- JAY** Mid-to-late 1990s. There was a more or less conscious decision that we didn't have the resources to duplicate everything that every government department was doing, and we had to accept that we had much more of a coordinating role; so we focused on the things that were of direct Foreign Office interest, rather than trying to shadow every government department. And I think that that probably did have an impact on the role of the Foreign Office as perceived in UKREP.
- HOLMES** It's a question of which follows which. The cutting of the shadow desk officers was following the fact that they didn't have the influence they used to have.
- JAY** I think it was partly because the EU was becoming more – I don't want say 'all-pervasive' – but it was becoming so important to so many government departments that there was no way in which one government department could possibly attempt successfully to shadow everything. So it was a recognition of reality; and so you had to decide what you would focus on yourself, and you tried to exert, through the Cabinet Office if you could, a coordinating role on other issues. I think that's how I would characterise it.
- CUNLIFFE** It was much more that the EU became domestic policy.
- WICKS** What about the General Affairs Council, is it still the General Affairs Council? What did it do?
- CUNLIFFE** It was for a while the GAERC. I think it is the GAC.¹⁴⁰
- LAMBERT** Yes. It's the GAC.
- CUNLIFFE** I've lost track, but it was until a couple of years ago called the General Affairs Council, but it wasn't attended by foreign ministers, it was attended by their deputies – it's down to junior minister level.
- WICKS** But what does it do?
- CUNLIFFE** That was the problem, it didn't do. It was supposed to prepare the European Council, and if you recall the Treaty actually says that no other Council formation can meet before the European Council other than the GAC, as it prepares the business. But actually the preparation for European Council had passed to the 'sherpas' in the prime ministers' offices and presidents' offices, so the function disappeared.
- CAHN** I think Rodric wanted to come in.
- BRAITHWAITE** No, I just wanted to first of all repeat the point you made, which I made earlier, which is generally misunderstood – which is the European Union and all that is domestic policy and not foreign policy. And second thing is that, I don't know

¹⁴⁰ GAERC – General Affairs and External Relations Council. In 2009 the GAERC was split into the GAC and Foreign Relations Council

which is the chicken and which is the egg, but the change in the view of what the Foreign Office should do is a sort of general, cultural change. It's partly connected with the cutting back of resources, which means that the skills which the Foreign Office did have, it doesn't have now, such as language skills – I mean, they are trying to revive it – and a whole lot of specialised skills. It has too few resources to do lots of the things that it should do.

For the Foreign Office even to begin to hold its own, you would have to have very powerful individuals as foreign secretary, officials as the Butler figure; and those two departments that we had in the Foreign Office in the 1970s, the two European departments, which were large and very well staffed. I think that probably that period of history is over.

CAHN What about the impact of the fact that when we began talking about 1973, really only the Foreign Office and MAFF and, to an extent, DTI really had any real role in Europe, and by the time we are now talking about, almost every government department had a significant concern with Europe?

BRAITHWAITE It is partly that, as somebody said right at the beginning, the Foreign Office used to believe that we were the only people who knew how to negotiate. That was of course rubbish, because most of the time we never did any negotiation. The people who did negotiation every day, every working day, was Whitehall departments, who were spending all their time negotiating with one another, and they were very good at that.

DURIE And Department of Trade or the Board of Trade.

BRAITHWAITE Well, yes, there was always a bit of competition between the Board of Trade and diplomats. But leaving that aside, I think that what happened at the beginning of the period was that Whitehall departments didn't have the self-confidence and needed somebody to say, 'Look, you can screw the French, they are not as good as they think they are, much worse than you think they are', and they needed a certain amount of mentoring – and that period is well over now, because they spend all of their time on the telephone.

POOLEY That's absolutely right, from my rather long perspective. When I was a young civil servant, few civil servants, few ministers, had any dealings whatsoever with foreigners. Dealing with foreigners, that was a Foreign Office responsibility, and we were deferential towards the Foreign Office...

BRAITHWAITE Those were very good days. *[laughter]*

POOLEY They could manage things, but as time went by and the business changed, more and more departments got involved in the European project, and people began to realise, 'Well, I find it quite easy to talk to the foreigners, at least, some of them', and we don't really have that deference to the Foreign Office, this sense that this is their business and not ours.

JAY It's a slightly different point, but it is going back to what somebody, before lunch, described as the Eurostar effect. And I mention that because, in the 1990s Douglas Hurd would always go to Brussels the night before the Foreign

Affairs Council and there would be a dinner with Douglas Hurd, David Williamson, the Secretary-General, Pascal Lamy¹⁴¹ as Delors' *chef de cabinet*, John Kerr as Permanent Representative, and I was there with Douglas Hurd. It was a way of preparing for the meeting the following day, which took into account what Delors was trying to do, but didn't get across what Mrs Thatcher rather hoped Douglas Hurd would do. But it was a way of preparing things that could only happen if you were there and had the time to have that sort of meeting, and I suspect that that happened elsewhere as well with other government departments.

And I don't know, but I suspect now, just with the pace of business and everyone getting on trains rather than being there the night before, it may well have changed again. It was a slightly more measured negotiating approach amongst the key people, to make sure that the British position was properly understood.

- CAHN** It's also the scope of business. I mean, if you go back to 1973, the...
- JAY** I was talking about the 1990s.
- CAHN** But even then, the amount of, the number of decisions, the amount of business certainly, perhaps less now, but in the early 2000s the European Union's tentacles had spread almost everywhere, and there was an enormous amount of legislation; it would have been completely impossible for the Foreign Office to have played a role.
- CUNLIFFE** There's a technological point here, which I suspect just became more difficult to carve out a dedicated space and time to discuss what to do. Not just because you can get there on the morning, but because the BlackBerry never stops, the email never stops, and therefore you can't find a period in which the minister, or prime minister or prime minister's advisers can kind of sit down lucidly before a council, think it through, and that space. It all just happens much more in the 'warp and woof' of everyday political business.
- JAY** I agree with that, and it's a very interesting – perhaps it's a separate debate really, it is about the impact of changes in technology on the way in which policy is conducted and negotiations are conducted, but I think it is very different now.
- BRAITHWAITE** I think that's true, and not only in this context. The first conference I went to as a member of the British delegation, we went out to Geneva to stay at the Beau Rivage for the annual meeting of the Economic Commission for Europe, with the minister, for three weeks, living in an expensive hotel, and we went there by plane. When I was in Moscow, ministers would come out and would stay at the embassy and they would ask all these questions on the way in from the airport, and would say, 'What's this man going to want from me?' Now they ring up their best friend Vlad, and sort it all out, don't they? And, of course, it

¹⁴¹ Pascal Lamy, *Chef de Cabinet* to the President of the European Commission, 1984–94

doesn't work, because they don't know what's driving Vlad, Vlad doesn't know what's driving them, and it doesn't work.

But it's deeply engrained now, and it means that the old-fashioned kind of diplomacy – which was about actually getting to know these guys and what their obsessions were, and try to work out ways around them – is much harder to do now. Perhaps it only works in Europe, where they do meet rather often. That is another thing that we haven't talked about: the sort of socialising effect of all these meetings and so on, but that doesn't happen outside of Europe any more.

STOW I used to do quite a bit of training for our young negotiators in the DTI, and they sort of immediately got the bit about building relationships with your counterparts, being able to ring them up when things got difficult. The thing that they didn't immediately get was – going back to what we were talking about at the very beginning, about the lack of coordination and the number of departments – there will be times when you need the Foreign Office, when you need the Cabinet Office, when you need the embassy and things, because they can reach parts that we can't reach: the chanceries, the prime ministers' offices, etc. – and that didn't come so instinctively.

CAHN One of the things that Catherine [Haddon] and I were talking about preparing this session was how young officials were, over this period of time, acculturated to dealing with European Union issues and how they had been taught the ropes, how they had been trained, and has there been any change over time? You talk about your training of DTI officials; I don't remember getting any training at all, just picked it up.

BRAITHWAITE You did get training, but it wasn't done formally, it was sort of [an] apprenticeship. In the Foreign Office anyway, your job as a medium-level official was to mentor your juniors. One of the things that happened then was that you would go in at the age of 23, you don't take a second degree, you don't go to an academy, and at the age of 29 you have six years of experience – and this is the time you are joined by German opposite numbers, who have spent all of their time learning international law. So actually, I think you do get an education, but it does depend on your more senior people having enough time to mentor you, which I think they don't now.

CUNLIFFE That may be true of the Foreign Office, but I think in many line departments Europe is just something you were expected to pick up.

BRAITHWAITE I was talking about business in general.

CUNLIFFE Okay, I joined the Civil Service on a Monday, with not a clue what the European Union was, and was sent off to Brussels on a Thursday to negotiate the use of, oh God, biphenyls in the lost-wax process – polychlorinated biphenyls in the lost-wax process. I know that Rolls-Royce use them for making turbine blades. But that was the kind of level of training, and that's not recent, I'm afraid.

- LAMBERT** A bit more recent – this is when the Civil Service College still existed, which it doesn't now – but they did run an extremely good two or three-day course on negotiation with role-play, and it was very good. God knows what happens now, but it was well worth doing.
- POOLEY** Before that it was called 'sitting by Nelly', if you remember? That's how we learned, those were the days.
- CAHN** I sat by your knee.
- POOLEY** Not *on* my knee.
- CAHN** *By, by.*
- STOW** I think the thing that people have found difficult to learn through that learning-through-doing process is the role of the European Parliament and how co-decision, etc. really works, as opposed to what the treaty says – and that's partly because UKREP has kept that very much to its own self. So people do find that process deeply mysterious.
- CUNLIFFE** I think, talking of UKREP, two changes, which are structurally more to do with Europe than to do with us, changes in the role. One is the role of the European Parliament – and to be honest, I don't think UKREP and many other permanent representations realised just how strong the European Parliament was becoming until after the constitution and it started to flex its muscles. And co-decision, just the transfer of power, and how you have to manage that process, I think, was a kind of general discovery for most member states.
- WICKS** This is an exaggeration, but I guess that business and the financial sector spends more time lobbying European Parliament than they do in national capitals.
- CUNLIFFE** Nationally, it is one Treasury minister and then the government writ will run. It is European legislation that is more complex. The other change is enlargement.
- CAHN** Nigel, having been an industry lobbyist twice in my life, you are absolutely right: business finds it much easier to lobby the European Parliament than member states or administrations, and that is because the European Parliament loves to be lobbied – it likes its dinners, and so it's sort of easy on both sides. It doesn't mean that they are any more effective, but that is what happens.
- CUNLIFFE** The combination of the role of the European Parliament, now as a legislator – it's not the Council and, of course, UKREP sits in the Council – and just enlargement, which means that any *tour de table* takes about two hours. It means that the role of UKREP as a kind of negotiating body able to fix things in Brussels has become much, much more difficult. And it's not an UKREP point; you are operating in a system with much more distributed power and much more ephemeral influence.

- BRAITHWAITE** But it's not just the British, it's true for everybody. It's less manageable.
- CUNLIFFE** It's true for everybody, so everybody gets second-best results, yes.
- JAY** Has that led to sort of caucusing of groups of states? Logically, one would think that once you get above a certain number, then groups get together and negotiate.
- CUNLIFFE** You do get... most of the negotiation is done outside of the COREPER, trying to get little groups together. It's made capitals much more important, though, because in order to get those clumps of 'like-minded' you need to use the ministries who are sending the instructions. So that kind of changes the balance between UKREP. So when it was a sort of 12 around the table, and the permanent representatives did a deal – to give an example, the end of a negotiation, one did a deal and broke out the champagne or beer, if it was in Luxembourg, and everyone convinced themselves it was a good deal and went home and sold it, because it was the deal they had done – now that's the start of the process, and everybody gets to lobby their MEPs¹⁴² and gets a second bite, and it comes back again. It's completely different and permanent representatives have a much different and more diffuse role now, I think.
- BRAITHWAITE** Does this mean the role of embassies is increasing again, because so much has to be done through capitals, or is the lobbying done directly through departments?
- CUNLIFFE** Directly through departments.
- BRAITHWAITE** Yes.
- CUNLIFFE** It's more distributed, and that means UKREP doesn't have the kind of influence or control over the final product that it used to.
- JAY** I mean, that plus technology, these are fundamental changes to the whole operation.
- LAMBERT** Jon, you're more recent than me, but I always thought that trialogues were actually, I mean, that's where the deals are done, and that's pretty opaque to capitals. That tends to be done in Brussels or Strasbourg in a rather sort of tightly controlled atmosphere, in my experience.
- CUNLIFFE** Trialogues are opaque, but in terms of democracy, if you want to move a Conservative MEP on economic issues, you get the chancellor or the chancellor's political adviser to talk to them, because you are operating now on the political side.
- CARY** There's the great law of unintended consequence in all this. More powers were given to the EP¹⁴³ with a view to overcoming the famous 'democratic

¹⁴² MEPs – Members of the European Parliament

¹⁴³ EP – European Parliament

deficit', but actually it made the whole process more and more opaque and further from public understanding.

STOW

When I started as Deputy Perm. Rep. it was almost the start of co-decision, and for the first couple of years we co-decided pretty much everything with the European Parliament with a full conciliation. It was very difficult, this triologue, and gradually it became, going on all night, and it was completely impossible.

So you began to get first-reading deals, second-reading deals, and it all started to get very opaque unless you were in the presidency. And for the great citizenry of Europe even the conciliation process was behind closed doors, but the process now is even worse.

WICKS

The other advantage of lobbying an MEP was that they had usually been there for some time, namely four years, it might even be their second tour, so they know, usually, something about the subject. I am sorry to say that the turnover of middle-level, junior-level staff in Whitehall departments is quite fast – the velocity of circulation is fast – and therefore the reservoir of memory and experience in Whitehall departments is not what it should be.

I suffered from this when I worked in the financial services industry, and this was with the Treasury, and they were almost continuously at G7 grade arriving in the job and then too quickly moving on.

CUNLIFFE

And the files aren't...

WICKS

Well there aren't any paper files anymore to read, or you can't find them.

CAHN

We've got 15 minutes left, and I am going to suggest that we have a final 'table round', to follow the Community method, and I wonder whether anyone would like to say anything you haven't said, but in particular to focus on two questions: (1) how do you think the British administration, Whitehall, compares to the other member states' administrations in managing the membership of the European Union? Is the caricature correct of the brilliant Rolls-Royce machine which has been wasted by our politicians; or by contrast, have we tended to get it wrong most of the time and given bad advice to our politicians? How has our machine operated, particularly in that period between 1979 and 2010?

The second question, what do you think about personalities? We've heard about David Williamson and Michael Butler being these big figures from the 1970s and 1980s. Do you think that personalities made a big difference, or in practice was it the machine, the objective nature of the politics that actually determined what happened? And any other final reflections that you would like to get on the record. Peter, you have the most longevity – would you like to start?

POOLEY

Yes, the second point, the big, big personalities, I don't buy the big, big personalities; you spoke of David Williamson, for instance, who I knew very well indeed and Michael Butler, who I knew well indeed. These people had tremendous impact, not because they were marvellous personalities, but because they were very, very clever and extremely hard-working. That's what

gave them the impact, rather than the feeling that, you know, they were the sort of people who – David Williamson certainly wasn't – when they came into a room everybody turned around. They didn't have that charisma in that sense of things.

For the rest, I can only speak for the first period of our period under study, and I must say that I do think that the British always did things rather well. They were always able to manage. And again, I do think that the French were very good as well, and this also goes back to brains. We had – and still have – a mandarin system that picked out some of the best brains coming onto the market at a young age and trained them up, very, very well – most of them 'sitting by Nelly'. And still it is competitive, very competitive to get the best jobs in the Civil Service and in the Diplomatic Service, and there is no substitute for brains. We have clever people. It is not that the British are cleverer than the French, it is the British system; and the French system channelled more very clever people into this area of work than did the Germans, let alone the Italians, let alone the Greeks.

MALLABY

In my time, which ended in 1996, the answer to the first question, 'Were we then good at coordination, were we then effective in multilateral negotiation, was the advice from officials to ministers generally good?' – in those days, I think so. I get the impression from the discussion about later years that that may well still be true, but is not quite so certain. Maybe I am wrong, but I would like to hear it.

On the role of personalities, well, I think it is the same as it is everywhere else in life. Brains and judgement are more important in public servants than in many walks of life. There are other people who work extremely hard, who are ambitious – that's the same thing, by the way, as working extremely hard – and that you get, then, people who, not through charisma but through brain power and effort, will be stars. The system in my time made room for Michael Butler, for instance, not only to rise rather quickly, but also to make big waves all around himself. And also, of course, if a senior minister relied heavily on a particular official, that person could gain in influence through that vicarious means.

I've got a question, I hope the younger ex-ambassadors can comment on this, it is related to change through emailing and other modern communications. I have the feeling that embassies may not play the same role of coordination as they used to. In my time in Paris, I had more people from other government departments than from the Foreign Office on my staff, but everything was under my leadership, so the embassy could control the compatibility of different British policies with each other, and sometimes it could see a gap where there was no British effort vis-à-vis France, and could try to plug that gap. All this talk about telephone and email friendships between working-level officials in British government departments and their opposite numbers in other governments: does that mean that the coordination by an embassy, even the knowledge of an embassy about what is going on with the country in which it is working, has been greatly reduced?

WICKS

Well, I think firstly, the point that I want to make is that I think our successors face much bigger problems than we ever did. Look at the challenges facing the EU at the moment: there are monetary issues; there's the enormous immigration; there's the challenges of managing an EU with its 28 members; the hostile political environment in which the UK–EU policy has to be carried out. That makes it very difficult indeed. I think it's a much more challenging world that they have to operate in than we did despite the problems that we had.

I think also there are many more competing sources of advice that go to ministers. I have referred to the special advisers. There is the increased power of the members of the European Parliament. I think certainly civil servants find that difficult, because MEPs are often of different political persuasion from that of the government in power here.

So I do think that there are real challenges and I made the point a moment ago about the rapid change, or the relatively rapid change – certainly in some of the government departments. The Treasury is open to criticism here, with medium and junior-level staff frequently changing jobs, with expertise and experience being lost. So I think officials today face big challenges, even beyond those that we had to face.

DURIE

I think on the issue of names, I mean, all the people we have been talking about and the people who we talk about now, are people who have spent a large part of their careers dealing with Europe. They know and they knew what the subjects were, they knew what the issues were, they knew what the land looks like and they were intelligent and worked very hard, but I think that was what they brought.

As far as the Rolls-Royce machine, I think people talk about the Rolls-Royce machine in respect of the kind of issues dealt with by the deputies in COREPER, I would be interested in what Bill thinks about that. But I don't think in the 1980s and 1990s the British system missed many tricks. I'm not talking about the big issues, I am talking about the nuts and bolts, the bread-and-butter issues dealt with by COREPER I and I can't, off the top of my head, think of any occasion where we were seriously outmanoeuvred.

And so I think the Rolls-Royce machine did work well – it probably still works relatively well – but I think particularly the rise of the European Parliament, and handling that, is probably the biggest issue for the future.

CARY

I would say 'yes' to Christopher's observation about the role of embassies. By the time that I was ambassador in Sweden, we had no input into European affairs; we had a certain amount of mechanical business during presidencies – and we lobbied, of course – but we were not involved in the policymaking process, which was run out of UKREP.

I would just make two observations. One is that we haven't talked at all about the role of British officials in the Commission, and since I happened to have worked in the Commission and know you did too, I think it worth recording that Britain has been remarkable in not trying to interfere with the duties of those working in the Commission in the European interest. There was not what Boris

Johnson¹⁴⁴ called the ‘throbbing umbilical’ that exists between Brussels and Paris. We were, on the whole, left very much to our own devices. You would debrief UKREP after important meetings, you would leak the occasional paper, you were able to read Foreign Office telegrams, but in general you were left to your own devices, and you were certainly never receiving instruction or being pushed to take up particular policy positions. I am not sure that is true of all other states. I am not sure it is necessarily a good thing from a narrow national perspective, but on the whole it is rather admirable.

My second observation is that while Britain has had an excellent machine, with extremely good people at the head of it, in a way we have done the mechanical job extremely well, but we’ve done the strategic job badly. Maybe that’s the politicians’ responsibility and not the machine, but I think there has been an abject failure in my professional lifetime to communicate the real nature of the European Union and of our role in it, either in Westminster or to the general public. People simply do not understand how the thing works and what our interests are within it. Westminster, indeed, *still* doesn’t begin to understand how Parliament might engage to far greater effect in the interests of constituents.

CAHN And not just communicate, also strategic vision.

CARY Yes, and I think that as clever people who have been engaged day-to-day in doing the business, we have to accept some share of responsibility for that failure, which has been a huge one.

STOW Yes, I agree with that, those last two sets of remarks, the strategic failure and the real success at nuts-and-bolts, day-to-day business, which I think is partly about what we were talking about earlier, the effective coordination. I think it’s also just because we take it very seriously, just because we have to, compared to quite a lot of other member states, because we are nearly always on the back foot, and so we do take it seriously.

And I think that we, probably even now, probably deploy more people on European policy across departments than any other member state. So there is also just a bit of it which is just ‘boots on the ground’ stuff. It has got, for reasons beyond our control, much more difficult, because of the power of the European Parliament and the fact that that is the institution in which we are by far the weakest, because of the complete proliferation within British parties, and the fact that hardly any of them are attached to the influential blocs at the centre, and I think that that has really weakened us.

And, by contrast, I think that seriousness, the good deployment of serious evidence, makes us most influential with the Commission, rather than with the Council. I think that things are worrying me, probably touching a bit on what Nigel was saying as well: are EU jobs within Whitehall as attractive as they used to be? I am not sure that they are. UKREP, I think, struggles to get people now. That’s partly purely social developments.

¹⁴⁴ Boris Johnson, Foreign Secretary, 2016-present

When I was first at UKREP, nearly all the first secretaries were married with children in Brussels; when I was there the second time around, most of them were single and were commuting back to London at weekends. That's made a real difference in the way, in the attractiveness of, that sort of posting.

And I wonder whether we are growing people with the kinds of careers that most of the people around this table had, which may have ducked in and out occasionally, but with a very strong focus on difficult international economic issues.

I would end with one anecdote. Just before I left Brussels, I invited my French counterpart to an away-day, Philippe Étienne,¹⁴⁵ who is now – I'm not sure he still is – he went on to become Perm. Rep. I asked him to give a sort of 'no-holds-barred' view of the British, and he was very, very complimentary, he was quite Anglophile, he was very complimentary. He said, 'You really are the best. You are the ones that we – the French – measure ourselves against' – and then he paused for a moment, and said, 'it's just such a shame you have the wrong policies.' [*laughter*]

LAMBERT

Not a great deal to add to what's been said, but I would say yes about the nuts-and-bolts stuff in the 1990s, early 2000s – I think the UK was very successful. Just look at the policies, all the liberalisations, of telecoms, of aviation, etc., you know. They were UK policies driven by the UK Government that didn't start with majority support, but now they are taken as read. So, there were some real successes there.

Towards the end of my period I think it was tailing off a bit, probably driven by what Nigel has said, the hostile political environment. So the negotiation was more, 'Gosh, how do we stop this damage limitation?' rather than 'Where do we want to go strategically?' – exemplified, I think, by the mess we delivered on the Services Directive, of which more anon for anybody who wants it. But now it's portrayed as this awful thing that the EU hasn't delivered: we bear a lot of the blame because the instructions were appalling.

Personalities? I don't know. COREPER I didn't really lend itself to huge personalities, but all I would say is the importance of personal relationships, which we said at the start, is still in my view paramount – and it's not the EU, it's just how life works. But I don't think sometimes British officials got out enough, but I think they are starting to; they do do it now in the EU. You've got to get out, you can't sit in your office, you won't influence anybody.

CROWE

Well, first on personalities, I think they do matter, I think they always have in history. You don't have to be a dominating personality, but you do have to be respected by the people that you deal with, and of course, personal relationships are important. So, I think it is the respect that you earn with the people you are dealing with that is important – whether or not you call that personalities – but it matters. And it doesn't just matter in Brussels, or in one or another European counterparts; it matters back here in London – by which I

¹⁴⁵ Philippe Étienne, French Deputy Permanent Representative to the EU, 1997–2002, and later Permanent Representative, 2009–14

mean personalities at the top of government departments and particularly the ministers at the top of government departments.

I think that the decline of the Foreign Office – I have been outside it for so long that I can't say this with any authority – but the decline of the Foreign Office is also partly reflected in the decline in the stature of foreign secretaries within governments, and in the eyes of the prime minister, such that prime ministers, as we have heard several times in the course of this session, have ignored the Foreign Office and run things themselves.

To pick up a point that Anthony made, about the British Embassy in Sweden never having any input into policy back home, when I was working in Brussels, working for Javier Solana,¹⁴⁶ we were supposed to deal with member states through the national ambassador in the Political and Security Committee. Solana simply didn't do that: he just picked up the phone and rang his counterpart and very often, unless they were informed by their own national governments – which we Brits were quite good at, but which other countries weren't – their official representatives in Brussels didn't know what had passed between Javier Solana and their ministers. And I imagine that is replicated in a lot of other areas as well.

As for the respect in which we are held – again from my vantage point, having long been out of the Whitehall scene, but from my time in Brussels working in the Council – we did have leverage, we did have influence, and I would think a number of things went into that. Partly that we are a big country, of course we are, and important, but it depended a great deal on our being able to offer something that people wanted or respected, or looked for, and the less we were able to do that, then the less notice people took of you, and what we could contribute to the common interest. Sometimes on the policy front, sometimes in technical things, like how much information, technical information, intelligence information we were prepared to share with other people.

This also, these sorts of things also mattered a lot; they gave us authority and standing and means to influence people – and of course, up to a point, the degree to which we could be disruptive. If we didn't want to go along with something and we put our feet down, we were important enough – quite apart from the need for unanimity in common foreign and security policy – people had to respect what we did. I can't help feeling myself of course that there are limits to how much you can drive that and still maintain your constructive influence, because people, if they think you are totally disruptive, they are increasingly going to not want to work with you. I have the suspicion that, after the Lisbon Treaty, the QMV¹⁴⁷ – now practically universal across, certainly, legislation and decision-making in the EU – has of course meant that we could be outvoted a great deal more than we used to be able to, and that has to some extent mitigated our influence.

¹⁴⁶ Javier Solana, Secretary General, Council of the European Union, 1999–2009

¹⁴⁷ QMV – qualified majority voting

JAY

Three things. Firstly, one thing that strikes me is just how the combination of technical change and enlargement and the growth of the European Parliament mean that the European Union today is infinitely different, and more complex and more difficult to operate in, than it was even a few years ago.

Second, our efficiency compared with others: yes, I think we were as efficient, if not more efficient, than other member states; but I think that was, looking back, that was largely process. If you ask a different question: were we better able than the French, the Germans or the Spanish to get our way? I'm not so sure. So, I think that's the way I would look at it.

Thirdly, just Christopher's point, the role of embassies. One of the things that I found when I was in Paris was how important it was to direct people in London to the right people in Paris. Ringing up your counterpart wasn't always the answer. It was the comparatively junior person in the Elysée,¹⁴⁸ or the Matignon¹⁴⁹ or the Trésor, who really knew what was going on, he was the person, or she was the person, that you needed to make certain was at the other end.

CUNLIFFE

I think personalities matter in the sense that for anything that depends on meetings and contacts, you need emotional intelligence. And if you don't have emotional intelligence then you are less effective, and if that's what 'personalities' means, then it matters. On the Rolls-Royce machine – on the quality of advice, on strategic decision-making – I just think that the UK's relationship with Europe is so ambivalent, and fluctuates to such a degree, that actually the advice given is given in a political context that is very different to most European countries, and the British exceptionalism and kind of transaction-based approach to Europe I think just makes... I mean, maybe you talked about decisions, I think the task is much more difficult than if you were a German official. Maybe now it is becoming a bit more balanced.

On the actual quality of the officials, my experience is that they are generally of the higher or the highest quality in the European Union. They have the great advantage of speaking English as their native language, and given that pretty much all the European Union works in English that just makes life much, much easier for them, but generally high quality. The organisation actually is also much more joined up and much more high quality in its communication and driving that common line out of different departments, than you see elsewhere. And normally we don't have coalitions, which complicate the role of officials trying to drive a common line in other areas – and that's been our strength, this Whitehall process and ability to coordinate. It's been a French strength as well.

As the European Union becomes, as I say, power becomes more distributed, it becomes less clear how you get things done. I notice that when it comes to European Councils, our leaders are normally better briefed than others because of the short lines of communication and the forcing of a common position. When it comes to getting things done generally, systems like the

¹⁴⁸ The Elysée, official residence of the French president

¹⁴⁹ The Matignon, official residence of the French prime minister

German system where you have to work the sort of parliament, the different *Länder*, the federal level, government, in a much more complex working relationship, I think they are probably much more successful overall than you give them credit for – and in a way, we need more of that management of the ecosystem, rather than have a much more centralised approach, which has stood us in good stead up to now – but the world has changed.

BRAITHWAITE

Well, firstly on respect and individuals, we haven't mentioned Michael Palliser. Michael Palliser managed to retain the respect of his colleagues in Brussels during the renegotiation as well as the respect of his own government in London, because his colleagues in Brussels and the Labour Government, and of course his staff, all loved him – and that was quite an achievement. So individuals do make a difference.

Secondly, on the question of embassies, I mean, just anecdotally, the embassy in Bonn, when you weren't there, before that spent all its days having to explain to the Treasury why the fact that the *Wirtschaft* ministry¹⁵⁰ wants to cut the Common Agricultural Policy down to size, did not reflect what German policy was going to be in the end. So there is a role for embassies explaining that sort of thing and the direct telephone call, your point.

But the final point is on strategy, and you touched on that. We haven't got a strategy, not because we haven't tried to get a strategy. Every four or five years, or before every IGC, officials are told to go off and write a strategy, 'Why the hell are we in this bloody Union anyway,' and they don't come up with one because there is no sensible strategy that can be written for a country like *this* in an organisation like *that*. I mean, we're always being told we should change and adapt, but we can't, you know, we're British, aren't we? We don't do that.

I think that's a very fundamental problem, and I don't quite see how we are going to overcome it. It may be, as you say, that the rest of Europe, for one reason or another, is coming towards us. I don't think that's very good news, because that's moving in the direction of greater chaos and less solidarity: what can we get out of that? We can think, officials could always think up strategies, but they were unacceptable to ministers – and unacceptable to the British people.

Just going back to the first referendum, the Soames 'black operation' did focus groups – I think it was around the time when they were first invented – and they asked focus groups about this Europe thing and ordinary British people, selected by whatever process, said, 'We don't like foreigners; we don't like Brussels because it is full of bureaucrats; we do like the Court of Justice, because you need justice; we do like the European Parliament, because you need a parliament. We used to have an empire, now we don't – everybody hates us, and in those circumstances it doesn't make sense to quarrel with your neighbours.' Now that was a very un-European, un-Messina-like approach, but it was a very solid one. And I think, other things being equal, that could be revived for the next referendum, I suspect it won't be. But it was

¹⁵⁰ Bundesministerium für Wirtschaft – Federal Ministry of Economics

a solid feeling, totally different from the continental feeling, of why we should be a member.

HOLMES

Well, very quickly, because it's all been said really – I agree very much with what Anthony Cary said, modified by what Jon Cunliffe said. I think we have been very effective at getting what we want, in a tactical sense and in a mechanical sense and with a very effective machine. So we've been tactically very successful and with some very solid achievements you can point to along the way, the Single Market and other things. But if you look at where we are now, is it a strategic success? No, it's a disaster. We're in an awful position now. Now that, actually, is not the fault of the officials; it's the fault of the political context which others have just been talking about, which makes it impossible to have a sensible strategy that could get anywhere. I mean, Anthony makes an interesting point: do we bear our share of responsibility for not turning round that opinion to be positive so we could have a sensible strategy? I mean, maybe. But that's a political problem at the end of the day. It's very hard to do, I'm not sure you could do it. And now we seem to have finished up, I mean, it has changed a bit as a result of the renegotiation, but just immediately before that we were in a period of self-marginalisation, which seemed to be fairly disastrous.

On embassies, very quickly, my experience as ambassador in Paris is more recent than both Christopher and Michael. When I was there, we still thought that we could have the kind of relationship with the French administration which added something to the relationship which British departments had with their opposite numbers. For a number of reasons. Partly because we knew where to look a bit better than they did sometimes; partly because of language. It seems self-evident, but it is amazing how important it is sometimes, because sometimes the experts didn't speak each other's language and therefore couldn't really communicate very well, and we were able to add something there. Partly because we were able to put the decisions they were taking into a political context which, you know, someone, say, in the Department for Transport wasn't going to be able to understand very easily, and therefore it was helpful to understand why they were taking this, from our point of view, extraordinary position. And partly because actually only the embassy in a way had that view of what was happening overall in that relationship and where the trade-offs might be, and nobody in Whitehall actually had that view. So we used to think we added something. It may have been partly an illusion, and I don't think they can do it now, because I think the staffing levels are such that they don't have the resources to do it. So, I think it's a self-fulfilling prophecy at the end of the day.

On personalities, I mean, the implication of your question is: where are the Michael Butlers of today? I just think the business is so complicated and so wide-ranging and so different that it is very hard to see how you could exercise that degree of influence that they did. And of course they knew, because they were in there early, they knew it in a way that few other people did, but I think that that knowledge is much more widespread now. So, I mean, personalities do matter and certainly emotional intelligence and relationships matter – as you can see from a prime minister trying to repair the damage he's done over the last five years in order to renegotiate – you have to establish relationships

with people. But I'm not sure there's going to be another great European guru of the kind we saw before.

CAHN

I want to add one thought, which is this: when I was still a baby civil servant, the Foreign Office was very clearly different from home departments. And it was different because it dealt with foreigners, they had a broader perspective, they had spent much of their lives abroad seeing the other ways of doing things, other systems were possible, other cultures worked, and the British way was only one way of doing things. And home departments, which I was in, seemed much more inward-looking – MAFF actually less so than others – but most home departments were quite narrow. And I think that one thing that membership of the European Union has done is to broaden home departments, because they have had to see how other European countries deal with welfare policy, or education policy or health policy, or whatever.

Membership of the European Union has had quite a significant impact on the way that we do business. Partly giving home civil servants a broader perspective; partly introducing some things – like we have a quasi-Cabinet system after all, in some parts of Whitehall, which would have been unthinkable 40 years ago – partly bringing a sort of coalition mentality and an endless negotiating mentality. But I do think that membership of the European Union has changed the way Whitehall works, and not just in dealing with European policy.

Anyway, thank you very much everybody for coming, thank you for giving your time – really, extremely grateful to you, it's been tremendous.

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